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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Applications For An Amendment Of Certifica a For An Extension Of Territory and For an Original Water And Wa tewater Certificate (for a utility in existence and charging for service)

In re: Application by Nocatee Utility Corporation for Original Certificates for Water & Wastewater Service in Duval and St. Johns Counties Florida Docket No. 992040-WS

Docket No. 990696-WS

INTERVENOR TESTIMONY OF

MICHAEL E. BURTON

ON BEHALF OF INTERCOASTAL UTILITIES, INC.

DOCUMENT NUMBER-DATE

FRSC-RECORDS/HEPORTING

1		Intervenor's Testimony of Michael E. Burton
2		
3		
4	Q :	Please state your name and professional address for the record.
5	A :	My name is Michael E. Burton. My professional address is Burton & Associates, Inc. at
6		440 Osceola Avenue, Jacksonville Beach, Florida 32250
7		• •
8	Q:	By whom are you employed and in what capacity?
9	A:	I am employed by Burton & Associates, Inc. as its President.
10		
11	Q:	Please state your education and professional experience in matters related to water and
12		wastewater utility rates and rate making.
13	A :	I received a Bachelors of Industrial Engineering degree from the University of Florida in
14		March of 1970. I have over 21 years of experience in water and sewer rate making,
15		including 10 years with Arthur Young & Company, now Ernst & Young, where I last
16		served as a Principal in charge of the Firm's Florida Utility Economics Practice Area. I
17		founded Burton & Associates 11 years ago and we have specialized in water and sewer
18		rate making since the Firm's inception. I have conducted water and sewer rate studies and
19		related financial analyses for over 60 governmental and private clients. I have also served
20		as the regulatory rate consultant for St. Johns County for 9 years and as the regulatory
21		rate consultant for Flagler County for three years.
22		
23	Q:	Have you been accepted as an expert witness in an administrative proceeding?
24	A :	Yes, in cases before the St. Johns County Water and Sewer Authority, the Flagler County
25		Utility Regulatory Interim Authority and the Florida Public Service Commission.

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1	Q:	In what areas?
2	A :	Utility rates, rate making and related issues.
3		
4	Q:	Are you familiar with Intercoastal's application and its proposal?
5	A:	Yes.
6		
7	Q:	Have you reviewed the prefiled testimony of Deborah Swain and the other witnesses for
8		Nocatee Utility Corporation (NUC) and the deposition of Mr. Doug Miller taken on
9		March 1, 2000?
10	A :	Yes.
11		
12	Q:	Does Ms. Swain's analysis assume a certain level of connections relative to the system
13		capacity?
14	A :	Yes, Ms. Swain assumed that the system was at 80% of capacity to establish initial rates
15		and she projected that would occur at the end of year four, which would be 2005.
16		
17	Q:	Is that a correct approach to the establishment of initial rates for a new investor owned
18		utility?
19	A :	It is in accordance with FPSC rules.
20		
21	Q:	Does this method for establishing initial rates reflect the costs of the utility, either prior to
22		or after the period at which the utility will be at 80% of capacity?
23	A :	No, it represents a snapshot at a point in time in the growth of the utility. It effectively
24		shows the cost of service only at the most efficient point of operations during Phase I.
25		

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1 Q: Have you reviewed the prefiled testimony of Mr. Doug Miller?

2 A:

Yes.

3 Was the development plan, in terms of number and timing of growth ERC's in Mr. Doug 4 **Q**: Miller's prefiled testimony the same as was assumed by you and Intercoastal's engineer, 5 Mr. Jim Miller, in your original Direct Testimony in this case? 6 No, the information submitted in NUC's Direct Testimony, was somewhat different from **A**: 7 the information used to prepare my prefiled testimony, which we had obtained from them 8 in discovery and from their original application for development approval. 9 10 What was the result of the difference in NUC's plan relative to Intercoastal's plan? 11 **Q**: Mr. Jim Miller had to adjust his Conceptual Master Plan to conform with Nocatee's 12 **A**: revised development plan as presented in Mr. Doug Miller's prefiled testimony. 13 14 Did that effect your financial analysis as filed in your prefiled testimony? 15 **Q**: Yes. I had to adjust the growth assumptions and capital improvements program in my **A**: 16 analysis to match Mr. Jim Miller's Conceptual Master Plan. 17 18 19 **Q**: Did those changes effect the results of your analysis? Yes, the chart on the following page presents the difference in my prefiled testimony and 20 **A**: my current intervenor testimony. This chart, as well as the other charts in my intervenor 21 testimony- except for the chart on page 11 which is a comparative analysis of Intercoastal 22 and JEA's retail rates, is both: (1) a summary of the results of my analysis as submitted 23 with this intervenor testimony and (2) a comparison of the results of the direct testimony, 24 submitted by Intercoastal and NUC, to my intervenor testimony. 25

	Monthly Water and Sewer Bill								
	5,333 (allons per	Month	10,000 Gallons per Month					
Description	2002	2005	2009	2002	2005	2009			
Intercoastal - Stand Alone Service Plan: Direct Testimony	\$54.64	\$42.96	\$36.84	Not Incl.	Not Incl.	Not Inci.			
Intervenor Testimony	\$54.64	\$49.27	\$40.51	\$79.70	\$71.71	\$58.59			
Percentage change from 2002	NA	-9.83%	-25.86%	NA	-10.03%	-26.49%			

As you can see, the changes in the growth, and capital requirements to respond to growth, cause the Intercoastal rates to be about \$3.67 per month higher in 2009 than they would have been with the prior data. However, this still represents a decrease of 25.86% from the rates anticipated in 2002.

I also included an evaluation at an assumed monthly water usage of 10,000 per month. I used 5,333 gallons per month in my prefiled testimony because that is the average usage in the Intercoastal system for a $5/8 \times 3/4$ inch metered residential single family customer. However, this includes individually metered condominiums, many of which have seasonal occupancy. Therefore, I believe that this average is lower than the monthly consumption would be in a system with predominantly single family homes with year round occupancy. Furthermore, the developments in the western area of Intercoastal's current service area are single family homes with year round occupancy (see pictures on the following page).

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Sample Views of Single Family Homes in the Western Portion of Intercoastal's Current Service Area



- To the extent that the Nocatee development is more like the developments in the western portion of Intercoastal's current service area, I believe that the average usage per single family customer will be higher than the 5,333 average for Intercoastal's current service area. Therefore, I used 10,000 gallons per month as a example.
- As you can see, if average usage for a single family customer is 10,000 gallons per month, the decrease from the rate impact in 2002 is 26.49%, which is slightly more of a decrease than the 25.86% decrease which results if it is assumed that average usage is 5,333 gallons per month.
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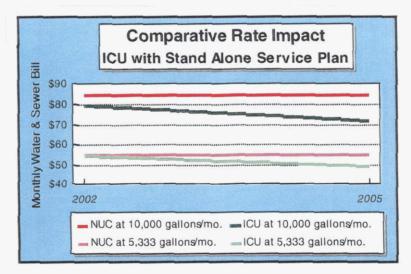
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19 Q: How does that compare to Ms. Swain's analysis for NUC's initial rates?

A: Ms. Swain developed initial water and sewer rates for NUC. The chart below shows that if you calculate the monthly bill of an average single family customer using 5,333 gallons per month with NUC's proposed initial rates, the monthly bill would be \$54.77 per month, which is approximately the same monthly bill as the current Intercoastal rates will produce. However, if you assume water usage of 10,000 gallons per month, the monthly bill for a single family customer of NUC would be \$84.78 per month, which is approximately 6.37% greater than the \$79.70 which the current Intercoastal rates will produce at that usage. By 2005, Intercoastal's bill will be only \$49.27 with 5,333 gallons usage and \$71.71 with 10,000 gallons usage while NUC's bill will remain at \$54.77 and \$84.78 for 5,333 and 10,000 gallons of usage respectively. Therefore, by 2005 NUC's bill will be 11.16% higher at 5,333 gallons per month of water usage and 18.23% higher at 10,000 gallons per month water usage.

	Monthly Water and Sewer Bill					
Description	5,333 Gallons per Month			10,000 Gallons per Month		
	2002	2005	2009	2002	2005	2009
Intercoastal - Stand Alone Service Plan: Intervenor Testimony	\$54.64	\$49.27	\$40.51	\$79.70	\$71.71	\$58.59
NUC - Direct Testimony	\$54.77	\$54.77	Not Incl.	\$84.78	\$84.78	Not Incl
Amount that NUC rates are higher than Intercoastal's	\$0.13	\$5.50	NA	\$5.08	\$13.07	NA
Percentage that NUC rates are higher than Intercoastal's	0.24%	11.16%	NA	6.37%	18.23%	NA

A graphical representation of this chart follows:



-6-

1	Q:	Will NUC's rates remain constant at the initial rates level?
2	A :	It is my understanding that Ms. Swain set initial rates assuming connections at 80% of
3		capacity and that she projects that will occur in the fourth year of her projection period, or
4		2005. Therefore, I assume that NUC's rates will stay at their initial level until 2005 which
5		is reflected in the chart and graphs above.
6		
7	Q:	Can you please summarize this comparative analysis?
8	A :	Yes. The effect of NUC's rates and Intercoastal's rates upon a single family customer's
9		monthly water and sewer bill with 5,333 gallons of water usage per month would be
10		essentially the same in 2002 at about \$54.77 and \$54.64 respectively per month.
11		However, by 2005 the effect of Intercoastal's rates upon the bill for this same customer
12		would be only \$49.27 whereas, the bill for the same customer in 2005 under NUC's plan
13		would remain at \$54.77 per month, which is approximately 11.16% higher than
14		Intercoastal's projected rate impact in 2005.
15		
16		Assuming 10,000 gallons per month average usage, in 2002 the effect of Intercoastal's
17		rates would be a monthly water and sewer bill of \$79.70, whereas, the bill for the same
18		customer in 2002 under NUC's initial rates would be \$84.78 per month, which is
19		approximately 6.37% higher than Intercoastal's projected rate impact in 2002. In
20		addition, by 2005 the effect of Intercoastal's rates upon this same customer would be a
21		monthly water and sewer bill of only \$71.71, whereas, the bill for the same customer in
22		2005 under NUC's plan would remain at \$84.78 per month, which is approximately

18.23% higher Intercoastal's projected rate impact in 2005. The chart and graph in the answer to the previous question present these results in tabular and graphical form.

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- Did you conduct any other comparisons of Intercoastal's plan to NUC's plan? 1 **Q**: Yes. NUC's plan includes the assumption that the JEA will provide wholesale water and 2 A: sewage treatment service, whereas Intercoastal's plan assumes that Intercoastal will 3 provide "stand alone" water and wastewater treatment services in its new service area. 4 Therefore, I conducted an analysis that assumed that Intercoastal adopted NUC's plan in 5 the requested service area, including the assumption of wholesale water and sewage 6 7 treatment service from the JEA.
- 8
- 9

Q: What were the results of this analysis?

10A:The following chart shows that the assumption of NUC's plan for the requested service11area in the Intercoastal analysis causes the rate impact for Intercoastal to reduce from12\$54.64 in 2002 to about \$43.07 in 2005, compared to NUC's rate impact of \$54.77 in132005.

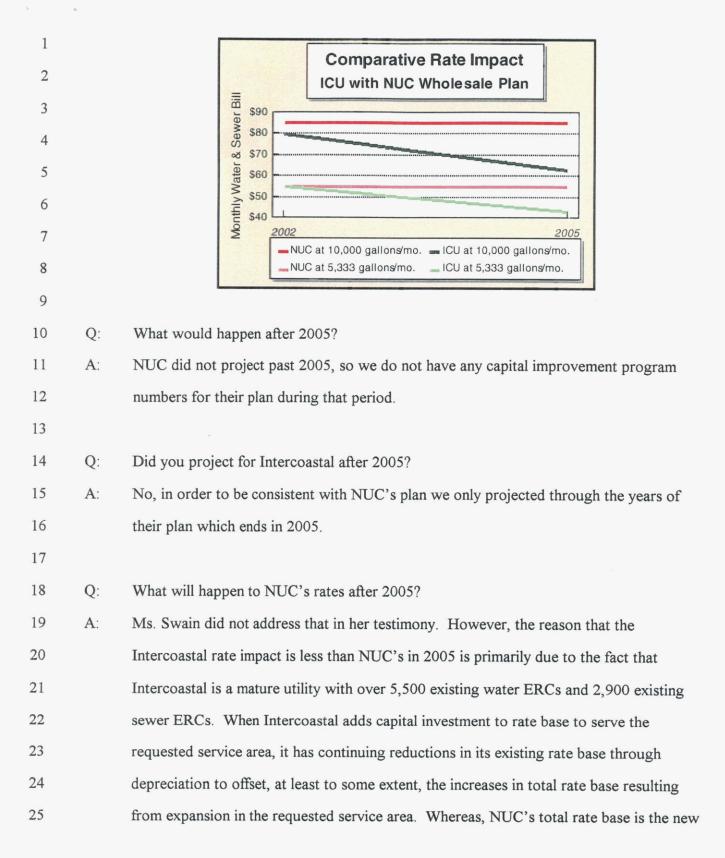
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	Monthly Water and Sewer Bill						
Description	5,333 (5,333 Gallons per Month			10,000 Gallons per Month		
	2002	2005	2009	2002	2005	2009	
Intercoastal Intervenor Testimony							
with NUC Wholesale Service Plan	\$54.64	\$43.07	NA	\$79.70	\$62.52	NA	
NUC - Direct Testimony	\$54.77	\$54.77	Not Incl.	\$84.78	\$84.78	Not Incl.	
Amount that NUC rates are higher than Intercoastal's	\$0.13	\$11.70	NA	\$5.08	\$22.26	NA	
Percentage that NUC rates are higher than Intercoastal's	0.24%	27.17%	NA	6.37%	35.60%	NA	

24

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A graphical representation of this chart is on the following page:



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investment in the requested service area and it has no increasing accumulated depreciation on an existing investment to serve 5,500 and 2,900 existing water and sewer ERCs respectively, as does Intercoastal, to counteract the increases in investment, and thus return, to serve expansion in the requested service area.

Also, Intercoastal is already covering the fixed administrative and operations costs of an
 ongoing utility in its current rates. Additional administrative and operations costs to serve
 the requested service area will only be marginal costs. Also, Intercoastal's current
 administrative and operations costs and other fixed costs will be spread over a larger base
 of customers as growth occurs in the requested service area causing downward pressure
 on rates due to these economies of scale.

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NUC will enjoy none of these advantages. And even assuming NUC is awarded the service area and matures as a utility over time, a comparative analysis over the same time period assuming that Intercoastal is awarded the territory, and "stands in NUC's shoes" regarding implementation of the same capital and wholesale service plan as proposed by NUC in the requested service area, would show that Intercoastal will always be able to have lower rates than NUC because of the advantages of Intercoastal's greater economies of scale due to its existing base of customers.

20

Q: Is consideration of the JEA's retail rates relevant to NUC's and/or Intercoastal's
 respective applications?

A: If one wants to understand the possible rate impacts of awarding the requested service
 area to either NUC or Intercoastal, I believe that the clause in the letter of understanding
 regarding the provision of wholesale service to NUC from JEA that gives to the JEA the

-10-

right of first refusal to acquire NUC requires an evaluation of the JEA's retail rates.

- Have you performed a comparative analysis of Intercoastal and the JEA's retail rates? **Q**:
 - A: Yes, it is included in the chart below.

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		Monthly Water and Sewer Bill						
	Description	5,333 Gallons per Month			10,000	Gallons per Month		
-		2002	2005	2009	2002	2005	2009	
F	Intercoastal							
	Intervenor Testimony							
	with Stand Alone							
	Service Plan	\$54.64	\$49.27	\$40.51	\$79.70	\$71.71	\$58.59	
ľ	JEA Retail Rates - Average of							
	summer and winter months							
	rates	\$35.63	NA	NA	\$56.44	NA	NA	
Γ	Total amount that JEA rates			1				
	would have to increase to equal							
	Intercoastal's	NA	NA	\$4.88	NA	NA	\$2.15	
	Total percentage that JEA rates							
	would have to increase to equal							
	Intercoastal's	NA	NA	13.70%	NA	NA	3.81%	
F	Annual percentage that JEA							
	rates would have to increase to							
	equal Intercoastal's	NA	NA	1.437%	NA	NA	0.427%	

- 23
- 24
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1 Q: Will you please describe that analysis?

2	A :	This analysis compares the impact of current JEA retail rates upon a single family
3		customer to the current and projected Intercoastal rates for the same customer with 5,333
4		and 10,000 gallons of water usage respectively. The JEA rate impact was calculated for
5		each assumed level of water usage, using the average of the JEA retail rates for summer
6		and winter months, the difference being that during the summer months (April through
7		September), wastewater is billed at 90% of water usage.

8

9 The analysis shows that by 2009, Intercoastal's rates will result in impacts of \$40.51 and 10 \$58.59 for 5,333 and 10,000 of monthly water usage respectively, whereas, the JEA's 11 current retail rates would result in an impact of \$35.63 and \$56.44 for 5,333 and 10,000 12 of monthly water usage respectively. If the average water usage for a single family home 13 in the requested service area is closer to 10,000 gallons per month than to 5,333 gallons 14 per month, which I believe it will be, by 2009 Intercoastal's rates will be only 3.81% 15 higher than the JEA's current rates.

16

This does not include consideration of any increases in the JEA's retail rates over the next nine years. It would only take a total increase in the JEA's retail rates of 3.81% over this nine year period for the rate impact of JEA retail rates and Intercoastal's rates to be the same. This equates to only a 0.417% increase per year.

21

22 Q: Did Ms. Swain present reclaimed water rates for NUC?

24

23

A:

Yes.

25 Q: Did you compare those rates to projected reclaimed water rates for Intercoastal?

A: Yes. Conversion of NUC's proposed reclaimed water rates results in monthly reclaimed
 water cost per reclaimed water ERC of \$14.78. This conversion of rates to ERCs
 assumes that a reclaimed water ERC is equivalent to 261 gallons per day which equates to
 7,830 gallons per month.

If Intercoastal provides reclaimed water under its stand alone plan, the cost per ERC for 6 reclaimed water would be \$16.17 in 2002, \$15.52 in 2003, \$13.55 in 2004, \$12.11 in 7 2005 and \$10.84 by 2009. This shows that Intercoastal can provide reclaimed water 8 under its stand alone plan at a cost that, although initially is slightly more than NUC 9 (approximately 9% higher), will be 8% lower than NUC's costs by 2004, will be 27% 10 lower by 2005 and will continue to decrease through 2009 as economies of scale are 11 12 realized by growth in reclaimed water customers. In fact Intercoastal would probably implement reclaimed water rates at the level calculated for 2005 (the fourth year of the 13 14 plan and consistent with the timing of NUC's initial rate calculations) which means that Intercoastal will have lower reclaimed water rates than NUC from 2002 onward. 15

16

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Also, it is important to realize that NUC will not enjoy the same benefit of economies of 17 18 scale from growth as will Intercoastal. This is because according Ms. Swain's testimony, 19 NUC will purchase reclaimed water from the JEA for an annual cost (at 80% of capacity) of \$119,988. This is approximately 50% of the \$238,278 annual O&M costs for reclaimed 20 21 water (at 80% of capacity) as represented in Ms. Swain's testimony. This is important to note, because as reclaimed water customers increase, no economies of scale will be 22 23 realized by NUC relative to this purchased reclaimed water cost. In fact, as reclaimed water customers increase, the cost to NUC of this purchased reclaimed water will increase 24 25 proportionately.

-13-

A: Yes. Conversion of NUC's proposed reclaimed water rates results in monthly reclaimed
 water cost per reclaimed water ERC of \$14.78. This conversion of rates to ERCs
 assumes that a reclaimed water ERC is equivalent to 261 gallons per day which equates to
 7,830 gallons per month.

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16

5

Also, it is important to realize that NUC will not enjoy the same benefit of economies of 17 18 scale from growth as will Intercoastal. This is because according Ms. Swain's testimony, 19 NUC will purchase reclaimed water from the JEA for an annual cost (at 80% of capacity) 20 of \$119,988. This is approximately 50% of the \$238,278 annual O&M costs for reclaimed 21 water (at 80% of capacity) as represented in Ms. Swain's testimony. This is important to 22 note, because as reclaimed water customers increase, no economies of scale will be 23 realized by NUC relative to this purchased reclaimed water cost. In fact, as reclaimed 24 water customers increase, the cost to NUC of this purchased reclaimed water will increase 25 proportionately.

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1	Q:	Mr. Burton, what is Exhibit MB-2?
2	A:	Exhibit MB-2 is my revised financial analysis. It is based on
3		the change (reflected in NUC's direct testimony) in growth and
4		capital assumptions from the data I used in my prefiled
5		testimony (which came from NUC's original application for
6		development approval and discovery documents).
7	Q:	Does Exhibit MB-2 reflect your work product and your opinions?
8	A:	Yes.
9	Q:	Mr. Burton, does the above testimony reflect your opinions
10		regarding all the issues discussed?
11	A:	Yes.
12	Q:	Does this conclude your testimony?
13	A:	Yes.
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APPLICATION FOR SERVICE AREA EXTENSION

Financial Analysis - Revised

Presented to

INTERCOASTAL UTILITIES, INC.

March 17, 2000



Presented by

Burton & Associates, Inc. Specialists In Water Resources Economics March 17, 2000

Mr. M. L. Forrester Vice President Intercoastal Utilities, Inc. 6215 Wilson Blvd. Jacksonville, Florida 32210

BURTON & ASSOCIATES

Re: Application for Service Area Extension - Financial Analysis - Revised

Dear Mr. Forrester:

Enclosed you will the Final Report of the above referenced revised analysis. This report will support my intervenor's testimony to the Florida Public Service Commission (FPSC) in the above referenced Application for Service Area Extension.

This report was prepared based upon financial, engineering, growth and other data and information provided to us by you, your staff, Smoak, Davis & Nixon, your accountants and PBS&J, your consulting engineers. Burton & Associates developed a model which produced the results contained herein. The model was developed to predict as closely as possible the financial performance and rate revenue requirements of Intercoastal over a ten year forecast period. In each year of the forecast period the model determines the allowed return based upon calculated rate base and a weighted cost of capital analysis. In each year of the forecast period, this allowed return is then compared to achieved return before rate adjustments to determine any rate adjustments that will be necessary for Intercoastal to earn its allowed return, without over earning in any year. Subsequent years' revenue projections assume that rate adjustments identified in prior years are implemented.

This report is a revised analysis because it incorporates information from direct testimony filed by Nocatee Utility Corporation's (NUC) witnesses that was not available when my direct testimony was prepared. This new information does not change the conclusions of the report but this analysis was revised to reflect the most current and accurate data available and to make comparisons between the rate impacts of NUC's plan and Intercoastal's plan to serve the requested service area.

The report includes an analysis of water and sewer rates and a separate analysis of reclaimed water rates. All analyses are based upon annual capital requirements for water, wastewater and reclaimed water identified in PBS&J's Conceptual Master Plan - Revised March, 2000.

I would like to thank you and your staff for your assistance in providing us the information needed to prepare this report. If you have any questions, please do not hesitate to call me at (904) 247-0787.

Verv truly yours.

Michael E. Burton President

MEB/cs Enclosures

440 Osceola Avenue 🔳 Jacksonville Beach, Florida 32250 🛢 904/247-0787

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	Scenario 1: Intercoastal as a "Stand Alone" Utility	Section 1
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Intercoastal Utilities, Inc. Application for Service Area Extension <u>Financial Analysis</u>

Intercoastal Utilities, Inc. (Intercoastal) currently provides water service to approximately 5,500 equivalent residential connections (ERCs) and sewer service to approximately 2,900 ERCs in northeastern St. Johns County east of the Intracoastal Waterway, (Water and sewer ERCs are based on actual 1998 metered usage). Intercoastal has applied for an extension of its service area west of the Intracoastal Waterway, including an area in Duval County owned by DDI and planned for development as Nocatee.

A. <u>Objective</u>

The objective of this financial analysis is to examine the financial feasibility of Intercoastal extending its service area as described above in terms of the implication to the water and sewer rates of its current and future customers.

B. <u>Scope</u>

This analysis includes examination of the expected impact upon water, wastewater and reclaimed water rates of Intercoastal continuing to serve its current service area plus projected development in an extended service area west of the Intracoastal Waterway to include portions of St. Johns County plus the projected development in Nocatee in Duval County. This analysis also compares the impact upon the monthly water and sewer bill of a single family customer with Intercoastal's rates and NUC's rates as proposed in the prefiled testimony of Ms. Swain.

C. Information Sources

Information used in this analysis was derived from the following primary sources:

- Intercoastal Utilities 1998 Annual Report filed with the St. Johns County Water and Sewer Authority,
- Intercoastal Utilities staff,
- Intercoastal Utilities Accounting Records,
- Intercoastal Utilities Certified Public Accountant Smoak, Davis & Nixon
- Intercoastal Utilities' consulting Engineer, PBS&J,
- Prefiled testimony of NUC witnesses

INTERCOASTAL UTILITIES

BURTON & ASSOCIATES

PAGE 1

D. <u>Study Procedures</u>

In order to conduct this analysis, a comprehensive, predictive model was developed. This model was designed to project the financial performance of any water and sewer utility regulated by the Florida Public Service Commission (FPSC) over a ten year forecast period. The model determines the allowed return in each year of the forecast period, based upon a weighted cost of capital analysis, and determines any rate adjustments required in each year in order for the utility to earn its allowed return.

Allowing the model to calculate required rate adjustments in this way usually results in slight rate adjustments in each year of the forecast period. Therefore, in order to avoid rate adjustments in each year of the forecast period, the model also allows for rate adjustments to be specified in each year. It then calculates the achieved return and compares it with the allowed return to show whether the utility will be under or over earning in each year of the forecast period. In this way a rational plan of rate adjustments can be developed which provides the utility with adequate earnings in each year within its allowed return.

The model then evaluates the impact in terms of the monthly water and sewer bill for a single family customer with average usage. This customer rate impact is the real test of the financial implication of the utility providing service to its current and future customers.

E. <u>The Analyses Performed</u>

The analysis presented herein in Scenario 1 analyzes the impact upon customer's rates of the implementation of Intercoastal's Conceptual Utility Master Plan to meet the water, sewer and reclaimed water demands of the projected growth in the service area for which Intercoastal's service area extension application is filed. The analysis presented herein as Scenario 2 analyzes the impact upon customer's rates of the implementation by Intercoastal of the capital plan and wholesale water and sewer service agreement with the JEA presented in the NUC prefiled testimony.

The analysis then *compares* to NUC's plan both 1) the impact of implementation of the Intercoastal Conceptual Master Plan and 2) the impact of implementation of the Intercoastal plan where Intercoastal "stands in NUC's shoes" regarding implementation of the same capital and wholesale service plan as proposed by NUC in the requested service area. These comparisons are conducted based upon two assumed water usages for a single family customer. First an assumed water usage of 5,333 gallons per month is used. 5,333 gallons per month was used because that is the average usage in the Intercoastal system for a $5/8 \times 3/4$ inch metered residential single family

INTERCOASTAL UTILITIES

PAGE 2

customer. However, this includes individually metered condominiums, many of which have seasonal occupancy. Therefore, this average is probably lower than the monthly consumption would be in a system with predominantly single family homes with year round occupancy. Furthermore, the developments in the western area of Intercoastal's current service area are single family homes with year round occupancy (see pictures below).

Sample Views of Single Family Homes in the Western Portion of Intercoastal's Current Service Area



To the extent that the Nocatee development is more like the developments in the western portion of Intercoastal's current service area, the average usage per single family customer will likely be higher than the 5,333 average for Intercoastal's current service area. Therefore, 10,000 gallons per month was used as a example.

This analysis also includes Scenario 3 which is a comparative analysis of NUC's reclaimed water rate plan to Intercoastal's reclaimed water rate plan.

The results of the analysis are presented in the following section. All supporting analyses, including a description of underlying assumptions, are presented in the schedules which are included in the Appendices at the end of this report.

F. <u>Results</u>

NUC set initial rates assuming connections at 80% of capacity and NUC projects that will occur in four years, or 2005. Therefore, it is assumed that NUC's rates will stay at their initial level until 2005. Based upon NUC's initial rates and the assumption that those rates would remain constant until 2005, we conducted a comparative analysis of the impact upon the monthly water and sewer bill of a single family customer with both the Intercoastal rates, as projected herein, and the NUC rates, as proposed in the prefiled testimony of Ms. Swain. Assumed monthly water usages of 5,333 and 10,000 were used in accordance with the discussion in the previous section.

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1. <u>Scenario 1 - Intercoastal as a "Stand Alone Utility"</u>

The revised Conceptual Master Plan prepared by PBS&J for Intercoastal assumes that Intercoastal will continue to provide service to the requested service area as a stand alone utility. That means that the revised Conceptual Master Plan does not include wholesale service but rather includes the capital costs to provide water, wastewater and reclaimed water treatment facilities on site. This section compares this Intercoastal stand alone utility plan to NUC's plan, which includes the purchase of wholesale water and wastewater treatment services from the JEA. Supporting schedules and analyses for this scenario are presented in Scenario 1 in the Appendix.

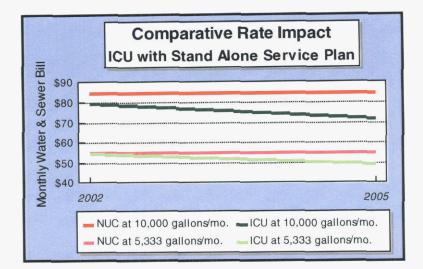
The chart below shows that the monthly bill of an average single family customer using 5,333 gallons per month with NUC's proposed initial rates would be \$54.77 per month, which is approximately the same monthly bill as the current Intercoastal rates will produce. However, if water usage of 10,000 gallons per month is assumed, the monthly bill for a single family customer of NUC would be \$84.78 per month, which is approximately 6.37% greater than the \$79.70 which the current Intercoastal rates will produce at that usage. By 2005, Intercoastal's bill will be only \$40.51 with 5,333 gallons usage and \$71.71 with 10,000 gallons usage while NUC's bill will remain at \$54.77 and \$84.78 for 5,333 and 10,000 gallons of usage respectively. Therefore, by 2005 NUC's bill will be 11.16% higher at 5,333 gallons per month of water usage and 18.23% higher at 10,000 gallons per month water usage.

	Monthly Water and Sewer Bill										
	5,333 (Gallons per	Month	10,000 Gallons per Month							
Description	2002	2005	2009	2002	2005	2009					
Intercoastal - Stand Alone Service Plan: Intervenor Testimony	\$54.64	\$49.27	\$40.51	\$79.70	\$71.71	\$58.59					
NUC - Prefiled Testimony	\$54.77	\$54.77	Not Incl	\$84.78	\$84.78	Not inci					
Amount that NUC rates are higher than Intercoastal's	\$0.13	\$5.50	NA	\$5.08	\$13.07	NA					
Percentage that NUC rates are higher than Intercoastal's	0.24%	11.16%	NA	6.37%	18.23%	NA					

A graphical representation of this chart follows:

INTERCOASTAL UTILITIES

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2. <u>Scenario 2 - Intercoastal "Standing in NUC's Shoes" with regard to its Capital and</u> <u>Wholesale Service Plan</u>

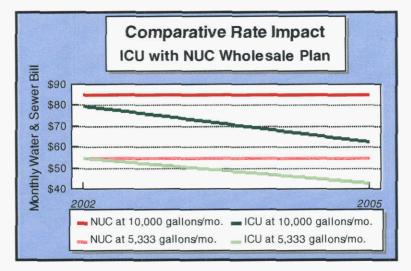
As stated in the previous section, Intercoastal's revised Conceptual Master Plan assumes that Intercoastal will continue to provide service to the requested service area as a stand alone utility; whereas NUC's plan includes the purchase of wholesale water and wastewater treatment services from the JEA. Therefore in order to have an "apples to apples" comparison, an analysis was conducted that assumed that Intercoastal would "stand in NUC's shoes", that is to assume that Intercoastal were to implement NUC's plan in the requested service area, including the assumption of wholesale water and sewage treatment service from the JEA, while continuing to serve its eastern service area with its existing and planned water and wastewater treatment facilities. Supporting schedules and analyses for this scenario are presented in Scenario 2 in the Appendix.

The chart on the following page shows that the assumption of NUC's wholesale service plan for the requested service area in the Intercoastal analysis causes the rate impact for Intercoastal, assuming 5,333 gallons per month of water usage, to reduce from \$54.64 in 2002 to about \$43.07 in 2005, compared to NUC's rate impact of \$54.77 in 2005, which is 27.17% higher than Intercoastal's rates. If 10,000 gallons per month of water usage is assumed, in 2002 a single family customer's monthly water and sewer bill will be \$79.70 with Intercoastal's rates and \$84.78 with NUC's rates, or 6.37% higher than Intercoastal. In 2009 10,000 gallons per month of water usage will result in the Intercoastal bill being \$62.52 and the NUC bill would remain at \$84.78, or 35.60% higher than Intercoastal.

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	P. S. P.	Mon	thly Water a	and Sewer	Bill			
	5,333 0	allons per	Month	10,000 Gallons per Month				
Description	2002	2005	2009	2002	2005	2009		
Intercoastal Intervenor Testimony with NUC Wholesale Service Plan	\$54.64	\$43.07	NA	\$79.70	\$62.52	NA		
NUC - Prefiled Testimony	\$54.77	\$54.77	Not Incl.	\$84.78	\$84.78	Not Incl.		
Amount that NUC rates are higher than Intercoastal's	\$0.13	\$11.70	NA	\$5.08	\$22.26	NA		
Percentage that NUC rates are higher than Intercoastal's	0.24%	27.17%	NA	6.37%	35.60%	NA		

A graphical representation of this chart follows:



NUC did not project past 2005, so capital improvement program numbers for their plan during that period were not available. Therefore, this analysis does not include projections past 2005. However, although NUC does not address what its rates will be after 2005 it is useful to examine why Intercoastal's rates would be lower than NUC in 2005 and to extrapolate the general nature of the comparative impact upon the rates of both NUC and Intercoastal serving the needs of the requested service area into the future.

The reason that the Intercoastal rate impact is less than NUC's in 2005 is primarily due to the fact that Intercoastal is a mature utility with over 5,500 existing water ERCs and 2,900 existing sewer ERCs. One impact of being a mature utility is that when Intercoastal adds capital investment

INTERCOASTAL UTILITIES

to rate base to serve the requested service area, it has continuing reductions in its *existing* rate base through depreciation to offset, at least to some extent, the increases in total rate base resulting from expansion in the requested service area. Whereas, NUC's total rate base is the new investment in the requested service area and it has no increasing accumulated depreciation on an existing investment to serve 5,500 and 2,900 existing water and sewer ERCs respectively, as does Intercoastal, to counteract the increases in investment, and thus return, to serve expansion in the requested service area.

Also, Intercoastal is already covering the fixed administrative and operations costs of an ongoing utility in its current rates. Additional administrative and operations costs to serve the requested service area will only be marginal costs. Also, Intercoastal's current administrative and operations costs and other fixed costs will be spread over a larger base of customers as growth occurs in the requested service area causing downward pressure on rates due to these economies of scale.

NUC will enjoy none of these advantages. And even assuming NUC is awarded the service area and matures as a utility over time, a comparative analysis over the same time period assuming that Intercoastal is awarded the territory, and "stands in NUC's shoes" regarding implementation of the same capital and wholesale service plan as proposed by NUC in the requested service area, would show that Intercoastal will always be able to have lower rates than NUC because of the advantages of Intercoastal's greater economies of scale due to its existing base of customers.

3. Consideration of the Jacksonville Electric Authority (JEA) Retail Rates

The letter of intent between the JEA and NUC includes a clause that gives to the JEA the right of first refusal to acquire NUC. If this right is exercised and the JEA acquires NUC at some time in the future, the JEA will in all probability implement its retail rates in the requested service area after such acquisition. Therefore, it is instructive to evaluate the JEA's retail rates in a comparative analysis to Intercoastal's, assuming that Intercoastal is awarded the requested service area.

Such a comparative analysis is presented in the chart on the following page.

Q

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	Intercoastal Interven with Sta Service
(JEA Retail Ra summer and v
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-	Total percent
	rates would h to equal Inter
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(manual)	to only a 0.417
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	Monthly Water and Sewer Bill							
	5,333 (Gallons per	Month	10,000 Gallons per Month				
Description	2002	<u>2005</u>	2009	2002	2005	2009		
Intercoastal Intervenor Testimony with Stand Alone Service Plan	\$54.64	\$49.27	\$40.51	\$79.70	\$71.71	\$58.59		
JEA Retail Rates - Average of summer and winter months rates	\$35.63	NA	NA	\$56.44	NA	NA		
Total amount that JEA rates would have to increase to equal Intercoastal's	NA	NA	\$4.88	NA	NA	\$2.15		
Total percentage that JEA rates would have to increase to equal Intercoastal's	NA	NA	13.70%	NA	NA	3.81%		
Annual percentage that JEA rates would have to increase to equal Intercoastal's	NA	NA	1.437%	NA	NA	0.427%		

lysis compares the impact of current JEA retail rates upon a single family customer and projected Intercoastal rates for the same customer with 5,333 and 10,000 gallons respectively. The JEA rate impact was calculated for each assumed level of water he average of the JEA retail rates for summer and winter months, the difference being e summer months (April through September), wastewater is billed at 90% of water

lysis shows that by 2009, Intercoastal's rates will result in impacts of \$40.51 and 33 and 10,000 of monthly water usage respectively, whereas, the JEA's current retail sult in an impact of \$35.63 and \$56.44 for 5,333 and 10,000 of monthly water usage If the average water usage for a single family home in the requested service area is 00 gallons per month than to 5,333 gallons per month which is likely, by 2009 rates will be only 3.81% higher than the JEA's current rates.

s not include consideration of any increases in the JEA's retail rates over the next nine Id only take a total increase in the JEA's retail rates of 3.81% over this nine year rate impact of JEA retail rates and Intercoastal's rates to be the same. This equates 7% increase per year.

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4. Scenario 3 - Reclaimed Water Rates

NUC proposed reclaimed water rates based upon a plan to purchase reclaimed water from the JEA. Conversion of NUC's proposed reclaimed water rates results in monthly reclaimed water cost per reclaimed water ERC of \$14.78. This conversion of rates to ERCs assumes that a reclaimed water ERC is equivalent to 261 gallons per day which equates to 7,830 gallons per month.

In Intercoastal's plan to provide reclaimed water under its stand alone plan, the cost per ERC for reclaimed water would be \$16.17 in 2002, \$15.52 in 2003, \$13.55 in 2004, \$12.11 in 2005 and \$10.84 by 2009. This shows that Intercoastal can provide reclaimed water under its stand alone plan at a cost that, although initially is slightly more than NUC (approximately 9% higher), will be 8% lower than NUC's costs by 2004, will be 27% lower by 2005 and will continue to decrease through 2009 as economies of scale are realized by growth in reclaimed water customers. In fact Intercoastal would probably implement reclaimed water rates at the level calculated for 2005 (the fourth year of the plan and consistent with NUC's initial rate calculations) which means that Intercoastal will have lower reclaimed water rates than NUC from 2002 onward. Supporting schedules and analyses for this scenario are presented in Scenario 3 in the Appendix.

Also, it is important to realize that NUC will not enjoy the same benefit of economies of scale from growth as will Intercoastal. This is because according Ms. Swain's testimony, NUC will purchase reclaimed water from the JEA for an annual cost, at 80% of capacity, of \$119,988. This is approximately 50% of the \$238,278 annual O&M costs for reclaimed water, at 80% of capacity, as represented in Ms. Swain's testimony. This is important to note, because as reclaimed water customers increase, no economies of scale will be realized relative to this purchased reclaimed water cost. In fact, as reclaimed water customers increase, the cost to NUC of this purchased reclaimed water will increase proportionately.

G. Conclusions

This analysis shows that Intercoastal can provide water and sewer service to the service area requested, without requiring an increase in its water and sewer rates. If growth occurs as projected, reduced rate pressure may allow Intercoastal's rates to be decreased by as much as 26% by 2009. This represents an impact in monthly water and sewer bill from \$54.64 in 2002 to \$40.51 in 2009 assuming 5,333 gallons per month for a single family customer and from \$79.70 in 2002 to \$58.59 in 2009 assuming 10,000 gallons per month.

Furthermore, this analysis shows that under any set of reasonable assumptions, Intercoastal can provide water, wastewater and reclaimed water service to the requested service area more cost effectively and with lower rates than can NUC. This is possible in great measure because Intercoastal is an existing, mature utility which would immediately derive the benefits of the economies of scale offered by its 5,500 existing water ERCs and 2,900 existing wastewater ERCs in its rates to serve the requested service area. NUC, on the other hand, would be a start-up utility, and would never be able to "make up the difference" relative to the advantages Intercoastal possesses in terms of economies of scale from existing customers.

This advantage in terms of economies of scale will benefit not only the new customers in the requested service area, but also, Intercoastal's existing customers by providing additional growth over which to spread its fixed administrative and operating costs, thus resulting in lower rates than would be possible without the additional service area.

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Appendices

This section presents three (3) Appendices, one for each of the three (3) scenarios discussed in the report. Each Appendices includes sixteen (16) figures, titled Figure 1 through Figure 16. These figures present the detailed results of the financial forecast for each respective scenario.

The figures are ordered so that as nearly as practical the earlier figures present the summary results of the analysis and data and information used in the earlier figures "rolls up" from later figures. The table of figures for Appendices 1 and 2 are the same as those shown below: Appendix 3 is slightly different and its Table of Contents is included at the beginning of the Appendix

Figure Number	Title
Figure 1	Summary
Figure 2	Assumptions
Figure 3	Pro-Forma Income Projections - Water System
Figure 4	Pro-Forma Income Projections - Sewer System
Figure 5	Depreciation Schedule - Water
Figure 6	Depreciation Schedule - Sewer
Figure 7	Contributions in Aid of Construction (CIAC) - Wate
Figure 8	Contributions in Aid of Construction (CIAC) - Sewe
Figure 9	Rate Base
Figure 10	Utility Plant in Service - Water & Sewer
Figure 11	Capital Improvements Program
Figure 12	Not Used
Figure 13	Used and Useful
Figure 14	Weighted Cost of Capital Analysis
Figure 15	Graphs of Key Indicators - Water System
Figure 16	Graphs of Key Indicators - Sewer System
Figure 17	Graphs of Key Indicators - Water and Sewer Syster

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Scenario 1 Intercoastal as a "Stand Alone" Utility

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing Intercoastal's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming that Intercoastal is a "Stand Alone" utility in that it provides all required water and wastewater treatment facilities on site.

Figure Number	Title					
Figure 1	Summary					
Figure 2	Assumptions					
Figure 3	Pro-Forma Income Projections - Water System					
Figure 4	Pro-Forma Income Projections - Sewer System					
Figure 5	Depreciation Schedule - Water					
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Figure 16	Graphs of Key Indicators - Sewer System					
Figure 17	Graphs of Key Indicators - Water and Sewer System					

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Figure 1

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

Average Monthly Cost per ERC assumes 5,333 Gallons per Month Average Water Usage per ERC

1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%
3	Achieved Return	12.47%	4.32%	4.77%	-0.40%	-0.29%	0.93%	2.22%	3.65%	2.12%	3.12%	6.62%
4	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
5	Avg Mo.Cost / ERC	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$12.46
6	Achieved Return (Millions)	\$0.116	\$0.064	\$0.070	(\$0.016)	(\$0.012)	\$0.039	\$0.092	\$0.149	\$0.121	\$0.159	\$0.327
7	Allowed Return (Millions)	\$0.112	\$0.106	\$0.104	\$0.272	\$0.278	\$0.280	\$0.279	\$0.274	\$0.380	\$0.338	\$0.327
8	Rate Base (Millions)	\$0.934	\$1.486	\$1.460	\$4.048	\$4.135	\$4.172	\$4.155	\$4.082	\$5.735	\$5.099	\$4.938
9	Sewer											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-12.5%	-13.4%	0.0%	-9.2%	-5.2%
11	Achieved Return	7.13%	2.96%	6.21%	1.73%	4.09%	8.46%	8.79%	8.32%	7.11%	6.63%	6.62%
12	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
13	Avg Mo.Cost / ERC	\$42.98	\$42.98	\$42.98	\$42.98	\$42.98	\$42.98	\$37.61	\$32.57	\$32.57	\$29.58	\$28.05
14	Achieved Return (Millions)	\$0.355	\$0.144	\$0.275	\$0.200	\$0.456	\$0.849	\$0.782	\$0.645	\$0.915	\$0.740	\$0.697
15	Allowed Return (Millions)	\$0.600	\$0.345	\$0.315	\$0.777	\$0.749	\$0.674	\$0.598	\$0.520	\$0.853	\$0.740	\$0.697
16	Rate Base (Millions)	\$4.979	\$4.852	\$4.434	\$11.563	\$11.146	\$10.036	\$8.905	\$7.751	\$12.863	\$11.157	\$10.517
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	0.0%	-9.8%	-10.2%	0.0%	-6.7%	-1.8%
19	Achieved Return	7.97%	3.28%	5.85%	1.17%	2.91%	6.25%	6.70%	6.71%	5.57%	5.53%	6.62%
20	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
21	Avg Mo.Cost / ERC	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$49.27	\$44.23	\$44.23	\$41.24	\$40.51
22	Achieved Return (Millions)	\$0.471	\$0.208	\$0.345	\$0.183	\$0.444	\$0.887	\$0.875	\$0.794	\$1.036	\$0.898	\$1.024
23	Allowed Return (Millions)	\$0.712	\$0.450	\$0.419	\$1.049	\$1.027	\$0.954	\$0.877	\$0.794	\$1.234	\$1.078	\$1.024
24	Rate Base (Millions)	\$5.913	\$6.338	\$5.894	\$15.610	\$15.281	\$14.208	\$13.060	\$11.832	\$18.598	\$16.256	\$15.454

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~1\FAMS312.WK4

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Figure 1

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

1	Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.9%
3	Achieved Return	12.47%	4.32%	4.77%	-0.40%	-0.29%	0.93%	2.22%	3.65%	2.12%	3.12%	6.62%
4	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$16.89
6	Achieved Return (Millions)	\$0.116	\$0.064	\$0.070	(\$0.016)	(\$0.012)	\$0.039	\$0.092	\$0.149	\$0.121	\$0.159	\$0.327
7	Allowed Return (Millions)	\$0.112	\$0.106	\$0.104	\$0.272	\$0.278	\$0.280	\$0.279	\$0.274	\$0.380	\$0.338 \$5.099	\$0.327 \$4.938
8	Rate Base (Millions)	\$0.934	\$1.486	\$1.460	\$4.048	\$4.135	\$4.172	\$4.155	\$4.082	\$5.735	\$5.099	4.900
9	Sewer											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-12.5%	-13.4%	0.0%	-9.2%	-5.2%
11	Achieved Return	7.13%	2.96%	6.21%	1.73%	4.09%	8.46%	8.79%	8.32%	7.11%	6.63%	6.62%
12	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$63.89	\$55.90	\$48.41	\$48.41	\$43.98	\$41.69
14	Achieved Return (Millions)	\$0.355	\$0.144	\$0.275	\$0.200	\$0.456	\$0.849	\$0.782	\$0.645	\$0.915	\$0.740	\$0.697
15	Allowed Return (Millions)	\$0.600	\$0.345	\$0.315	\$0.777	\$0.749	\$0.674	\$0.598	\$0.520	\$0.853	\$0.740	\$0.697
16	Rate Base (Millions)	\$4.979	\$4.852	\$4.434	\$11.563	\$11.146	\$10.036	\$8.905	\$7.751	\$12.863	\$11.157	\$10.517
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	0.0%	0.0%	-10.0%	-10.4%	0.0%	-6.9%	-2.0%
19	Achieved Return	7.97%	3.28%	5.85%	1.17%	2.91%	6.25%	6.70%	6.71%	5.57%	5.53%	6.62%
20	Allowed Return	12.04%	7.10%	7.10%	6.72%	6.72%	6.72%	6.71%	6.71%	6.63%	6.63%	6.62%
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$79.70	\$71.71	\$64.22	\$64.22	\$59.79	\$58.59
22	Achieved Return (Millions)	\$0.471	\$0.208	\$0.345	\$0.183	\$0.444	\$0.887	\$0.875	\$0.794	\$1.036	\$0.898	\$1.024
23	Allowed Return (Millions)	\$0.712	\$0.450	\$0.419	\$1.049	\$1.027	\$0.954	\$0.877	\$0.794	\$1.234	\$1.078	\$1.024
24	Rate Base (Millions)	\$5.913	\$6.338	\$5.894	\$15.610	\$15.281	\$14.208	\$13.060	\$11.832	\$18.598	\$16.256	\$15.454

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~1\FAMS312.WK4 03/12/2000

Figure 2

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM **ASSUMPTIONS**

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

		Actual	Actual	Projected		Projected							
	Assumptions Water	<u>1998</u>	1999	2000	<u>2001</u>	2002	2003	2004	2005	2006	2007	2008	2009
1	Capacity in ERC's	5,057	5,057	5,057	10,571	10,571	13,429	13,429	13,429	13,429	13,429	16,286	16,286
ż	Additional Capacity in ERC's		0	5.514	. o	2,857	0	Ū.	0	0	2,857	0	0
3	Total Capacity	5,057	5,057	10,571	10,571	13,429	13,429	13,429	13,429	13,429	16,286	16,286	16,286
Ā	GPD = 1 ERC	350	350	350	350	350	350	350	350	350	350	350	350
5	Connected ERC's	5,506	5,508	5,508	5,763	6,043	6,867	7,719	8,600	9,514	10,466	11,674	12,411
8	Additional Connected ERC's		-,		•								
Ť	Walden Chase		0	0	0	89	89	89	89	89	89	89	89
8	Marsh Harbour		0	0	0	14	14	14	14	14	14	14	0
9	Nocates		0	0	0	416	416	416	416	418	635	635	635
10	East Svc Area		0	257	260	308	333	363	396	431	470	0	0
11	Total Additional Connected ERC's	0	0	257	280	824	852	881	014	952	1,208	738	724
12	Total Connected ERC's	5,508	5,508	5,783	6,043	6,867	7,719	8,600	0,514	10,466	11,674	12,411	13,135
13	Percent Growth in Connected ERC's	0.00%	0.00%	4.67%	4.86%	13.64%	12.40%	11.42%	10.63%	10.00%	11.54%	6.32%	5.83%
14	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
15	Effective Multiplier for Growth	0.00%	0.00%	1.17%	1.22%	3.41%	3.10%	2.86%	2.66%	2.50%	2.88%	1.58%	1.46%
16	Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Growth and Inflationary Multiplier	1.50%	1.50%	2.67%	2.72%	4.91%	4.60%	4.38%	4.16%	4.00%	4.38%	3.08%	2.96%
18	Sewer												
19	Capacity in ERC's	2,857	2,857	5,357	5,357	5,357	8,929	8,929		6,929			12,500
20	Additional Capacity in ERC's		2,500	0	0	3,571	0					0	0_
21	Total Capacity	2,857	5,357	5,357	5,357	8,929	8,929			8,929			12,500
22	GPD = 1 ERC	280	280	280	280	280	280						280
23	Connected ERC's	2,857	2,857	2,857	3,114	3,395	4,241	5,114	6,018	6,954	7,928	9,173	9,948
24	Additional Connected ERC's												
25	Walden Chase		0	0		89							89
26	Marsh Harbour		0	0									0
27	Nocatee		0	0									
28	East Svc Area		0	257									
29	Total Additional Connected ERC's	0	0	257	280		874						761
30	Imputed ERC's from 1998 Rate Case		5,357	5,357	5,357	5,357	5,357		5,357	5,357			5,357
31	Total Used & Useful ERC's	2,857	5,357	5,357	5,357	5,898							10,372
32	Percent Growth in Connected ERC's	0.00%	0.00%	9.00%		24.92%	20.00%	17.67%					7.65%
33	Percent of Growth Applied to Expenses	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
34	Effective Multiplier for Growth	0.00%	0.00%	2.25%		6.23%	5.15%						1.91%
35	Inflationary Multiplier	1.50%	1.50%	1.50%		1.50%							
36	Growth and Inflationary Multiplier	1.50%	1.50%	3.75%	3.75%	7.73%	6.65%	5.92%	5.30%	5.00%	5.421	3.61%	3.41%

37 New Debt Assumptions

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38		
39	Term	
40	issuance Costs	

30	10110	20
40	issuance Costs	1.50%
41	Interest Rate	6.50%

42	OLM Reserves	Months	Percent of Annual O&M
43	Water		
- 44	Minimum Reserves Level	1.5	12.50%
45	Sewer		
46	Minimum Reserves Level	1.5	12.50%
47	Rates & Charges		
48	Current Service Availability Charge	\$234	\$625

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SOURCE: BURTON & ASSOCIATES C:\DATA\123\CUATESTIM~1\FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM

Scenario 1 - Intercoestal Utilities Water and Sewer Rates w/ Intercoestal Capital Plan

8,541 NA 0,541 0,00% 0,541 1,238 0	2000 \$988,541 4.67% 46,170 \$1,034,711 0.00% 0 \$1,034,711 \$1,296	2001 \$1,034,711 4.80% 50,325 \$1,085,038 0.00% 0 \$1,085,038	2092 \$1,085,036 \$3,64% 147,950 \$1,232,988 0.00% 0 \$1,232,988 0.0%	2002 \$1,232,008 12,40% 152,007 \$1,385,872 0.00% 0 \$1,385,872	2004 \$1,385,872 11.42% 156,208 \$1,544,140 0.00% 0 \$1,544,140	2005 \$1,544,140 10,63% 164,133 \$1,700,273 0,00% 0 \$1,708,273	289£ \$1,708,273 10,00% \$1,878,159 8,00% 0 \$1,878,159 51,878,159	<u>2097</u> \$1,879,150 11.54% 216,817 \$2,085,976 0.00% 0	2005 \$2,085,976 6,32% 132,417 \$2,228,383 0.00%	2002 \$2,228, 5.0 129, \$2,358, 6.0
NA 0 0,541 0.00% 0 0,541 1,238 0	4.87% 48,170 \$1,036,711 0.00% 0 \$1,036,711	4.02% 50,325 \$1,085,038 0.00% 0 \$1,085,038	\$3.64% 147.950 \$1,232,986 0.00% 0	12.40% 152,607 \$1,385,872 0.00% 0	11.42% 156,298 \$1,544,140 0.00% 0	10.63% 164,133 \$1,708,273 0.00% 0	10.00% 170,006 \$1,878,150 8.00% 0	11.54% 218,817 \$2,085,876 0.00% 6	6.32% 132,417 \$2,228,383 0.00%	5.0 129 \$2,358 6.0
NA 0 0,541 0.00% 0 0,541 1,238 0	4.87% 48,170 \$1,036,711 0.00% 0 \$1,036,711	4.02% 50,325 \$1,085,038 0.00% 0 \$1,085,038	\$3.64% 147.950 \$1,232,986 0.00% 0	12.40% 152,607 \$1,385,872 0.00% 0	11.42% 156,298 \$1,544,140 0.00% 0	10.63% 164,133 \$1,708,273 0.00% 0	10.00% 170,006 \$1,878,150 8.00% 0	11.54% 218,817 \$2,085,876 0.00% 6	6.32% 132,417 \$2,228,383 0.00%	5.0 129 \$2,358 6.0
NA 0 0,541 0.00% 0 0,541 1,238 0	4.87% 48,170 \$1,036,711 0.00% 0 \$1,036,711	4.02% 50,325 \$1,085,038 0.00% 0 \$1,085,038	\$3.64% 147.950 \$1,232,986 0.00% 0	12.40% 152,607 \$1,385,872 0.00% 0	11.42% 156,298 \$1,544,140 0.00% 0	10.63% 164,133 \$1,708,273 0.00% 0	10.00% 170,006 \$1,878,150 8.00% 0	11.54% 218,817 \$2,085,876 0.00% 6	6.32% 132,417 \$2,228,383 0.00%	5.0 129 \$2,358 6.0
0 0,541 0,00% 0 0,541 0	48,170 \$1,036,711 0.00% 0 \$1,036,711	50,325 \$1,085,038 0.00% 0 \$1,085,038	147,950 \$1,252,998 0.00% 0	152,007 \$1,385,872 0.00% 0	156,206 \$1,544,140 0.00% 0	164,133 \$1,708,273 0.00% 0	170,806 \$1,878,159 8.00% 0	218,817 \$2,065,976 0.00% 6	132,417 \$2,228,303 0.00%	129 \$2,356 6.
0,541).00% 0 0,541 (1,238 0	\$1,036,711 0.00% 0 \$1,036,711	\$1,085,036 0.00% 0 \$1,085,036	\$1,232,988 0.00% 0	\$1,345,872 0.00% 0	\$1,544,140 0.00% 0	\$1,700,273 0.00% 0	\$1,878,159 8.00% 0	\$2,095,976 0.00% 0	\$2,228,383	\$2,356
0.00% 0 8,541 1,238 0	0.00% 0 \$1,0%,711	0.00% 0 \$1,085,035	0.00%	0.00%	0.00%	0.00%	8.00%	0.00%	0.00%	6
0 8,541 1,236 0	0 \$1,034,711	0 \$1,085,036	. 0	0	0	0	0	0		
1,238 0		\$1,085,036	· · ·			\$1,708,273	51 101 154			161
1,238 0			\$1,232,986	\$1,365,872	\$1,544,140	\$1,7U6,273		52.095.975	\$7.228.383	52,52
0	\$1,296						• 1,0. 0,100	\$4,980,870	**.***.***	46,46
0	\$1,200			41 754	\$1,934	\$2,130	\$2,353	\$2,625	\$2,791	\$
		\$1,359	\$1,54 <u>4</u>	\$1,750	arten u	94,538	44,303	***		•
	0	0	0	<u> </u>			12,353	\$2,525	- \$2,781	5
1,236	\$1,295	\$1,359	\$1,544	\$1,756	\$1,654	\$2,130		52,008,601		\$2.52
0,779	\$1,036,007	\$1,085,395	\$1,234,530	\$1,367,606	\$1,546,074	\$1,710,413	\$1,001,513	32,006,001	\$2,231,183	4 4,04
\$0	\$0	\$0	\$71,068	\$112,843	\$155,561	\$202,182	\$248,835	\$365,773	\$432,545	\$5
8,138	\$770,580	\$794,085	\$633,068	\$871,386	\$909,335	\$947,138			\$1,059,005	\$1,0
NA	NA	NA	NA							
0	46,562	48,827	55,484	62,364	69,486					1
2,803	131,997	159,461	220,116	290,467	318,343					3
3,313)	(90,503)	(97,734)	(113,517)							(1
4.083	4,683	4,663	4,083				4,683_			
12,110	\$663,319	\$909,321	\$1,070,900				\$1,537,400			\$1,5
7,559	\$172,666	\$177,073	\$183,830	\$171,242	\$225,505	\$283,010	\$344,104	\$367,027	\$405,708	*
									-	
\$0										
0										
(75)	(100)	(99)	(166)	(109)	(172)	(1/8)	(180)	(447)	• •	
0,664)	(107,889)	(108,648)	(170,737)	(181,902)	(195,402)	•••••	• • •			0
1,235)	(\$106,451)	(\$107,403)	(\$160,002)	(\$183,156)	(\$186,714)	(\$190,507)				2) 2
\$0	304,237 30	309,570	(\$19,372) \$0	(arr,uar) \$ 0	30	\$0	\$0	30	\$0	
â	8	a	0	0	0		0	0	0	
ă	ŏ	ā	ō	Ó	Ō	Ō	Ó	0	0	
20	50	50	50	50	30	50	30	50	\$0	
i,i.i.	\$64,237	\$89,670	(\$14,372)	(\$11,947)	\$38,791	\$82,411	\$140,181	\$121,422	\$158,861	\$1
33,943	\$1,486,332	\$1,400,225	\$4,047,554	\$4,134,008	\$4,172,055	\$4,155,493	\$4,061,828	\$5,734,842	\$5,098,638	\$4,
2 47%	4 32%	4 774	-0.40%	.0.20%	0.03%	2 22%	1.85%	2.12%	3.12%	
							6,71%	6.63%	0.63%	
12,447	\$105,554	\$103,600	\$271,008	\$277,750		\$278,958	\$273,867	\$360,368	\$337,000	*
	NA 2,003 13,313) 4,063 17,588 \$0 0 (4660) (75) 10,664) 17,235 10,664) 17,235 10,664) 17,235 10,664) 10,235 10,664) 10,235 10,255 10,255 10,255 10,255 10,255 1	NA PA 0 46,562 12,003 131,987 13,131 (80,503) 4,663 4,663 22,110 3643,318 17,866 3172,686 \$0 30 (460) (862) (75) (100) 16,435 364,227 \$0 30 0 6 0 0 18,335 364,227 \$0 30 0 6 30 30 2,434 \$84,851 33,943 \$1,466,332 2,47% 4,32% 2,47% 4,32%	4,136 \$770,560 \$794,065 NA NA NA NA NA NA NA NA NA NA NA NA NA 0 46,562 46,827 12,003 131,807 156,461 3,0133 3,0133 (00,503) (07,754,063 \$306,321 7,650 \$172,866 \$177,073 \$0 \$0 0 0 (4067) (062) (655) (755) (100,449) (106,449) F12255 (\$106,451) (\$107,403) 16,334 \$30 \$30 30 \$0 \$0 0 0 0 0 0 0 0 0 0 16,434 \$64,227 \$86,870 \$0 30 \$0 \$0 \$0 \$0 0 0 0 \$0 \$0 30 \$0 \$0 \$0 \$0	4,136 \$770,500 \$764,065 \$863,060 NA NA NA NA NA NA Status Status 2,003 131,907 159,641 220,118 2,013 (80,502) (87,734) (113,517) 4,663 4,663 4,663 4,663 7,508 \$172,686 \$177,073 \$183,830 \$0 0 0 0 0 6 0 0 0 0 6 0 0 0 0 755 (100) (969) (169) 80,650 (109,448) (176,737) \$160,002) 16,734 \$64,237 \$86,670 (\$16,372) \$0 0 <t< td=""><td>4,136 \$770,560 \$704,063 \$633,066 \$4771,366 NA NA NA NA \$4771,366 \$463,227 \$55,484 \$2,204 12,002 131,667 156,461 220,116 \$250,467 \$260,467 2,003 131,667 156,461 220,116 \$250,477 \$140,461 \$250,477 3,013 (80,502) (87,724,461) \$1,070,000 \$125,377 \$4,663 4,663 4,663 4,663 4,663 4,663 4,663 4,663 \$177,342 \$10,70,000 \$172,566 \$177,073 \$183,830 \$171,342 \$0 9 0 0 0 0 \$10,000 (690) (1690) (171,342 \$0 90 \$0 \$0 \$0 \$0 \$0 90 \$0 \$0 \$0 \$0 \$10,525 (100),6481 (178,737) (181,902) (511,902) \$11,5251 (\$100,7403) \$150,707 \$118,020</td><td>4,156 \$770,560 \$774,065 \$533,066 \$871,386 \$400,336 MA MA</td><td>4,155 \$770,550 \$704,055 \$833,056 \$871,386 \$800,255 \$647,136 NA Stat 71,212 <</td><td>4,156 9770,580 974,085 9833,088 9871,386 9802,335 984,715 9806,033 NA Statisticities <</td><td>4, 15. 9770, 560 9740, 065 9833, 066 9871, 386 9800, 335 9847, 136 9806, 033 91, 028, 2222 NA NA</td><td>44,155 5770,560 5794,065 9633,166 5977,386 5947,136 5947,136 5946,033 \$1,028,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,028,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,028,222 \$1,056,222 \$1,028,222 \$1,056,221 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,223 \$1,028,23 \$1,028,23 <th< td=""></th<></td></t<>	4,136 \$770,560 \$704,063 \$633,066 \$4771,366 NA NA NA NA \$4771,366 \$463,227 \$55,484 \$2,204 12,002 131,667 156,461 220,116 \$250,467 \$260,467 2,003 131,667 156,461 220,116 \$250,477 \$140,461 \$250,477 3,013 (80,502) (87,724,461) \$1,070,000 \$125,377 \$4,663 4,663 4,663 4,663 4,663 4,663 4,663 4,663 \$177,342 \$10,70,000 \$172,566 \$177,073 \$183,830 \$171,342 \$0 9 0 0 0 0 \$10,000 (690) (1690) (171,342 \$0 90 \$0 \$0 \$0 \$0 \$0 90 \$0 \$0 \$0 \$0 \$10,525 (100),6481 (178,737) (181,902) (511,902) \$11,5251 (\$100,7403) \$150,707 \$118,020	4,156 \$770,560 \$774,065 \$533,066 \$871,386 \$400,336 MA MA	4,155 \$770,550 \$704,055 \$833,056 \$871,386 \$800,255 \$647,136 NA Stat 71,212 <	4,156 9770,580 974,085 9833,088 9871,386 9802,335 984,715 9806,033 NA Statisticities <	4, 15. 9770, 560 9740, 065 9833, 066 9871, 386 9800, 335 9847, 136 9806, 033 91, 028, 2222 NA NA	44,155 5770,560 5794,065 9633,166 5977,386 5947,136 5947,136 5946,033 \$1,028,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,028,222 \$1,056,222 \$1,056,222 \$1,056,222 \$1,028,222 \$1,056,222 \$1,028,222 \$1,056,221 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,222 \$1,028,223 \$1,028,222 \$1,028,223 \$1,028,23 \$1,028,23 <th< td=""></th<>

(1) Allocation percentage based upon ourset water rate base as a percentage of total rate base.

(2) For simplicity, taxable income is calculated separately for water and westewater, however, the tax return would be field on a consolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or westewater. Negative taxable income in either system could offset taxable income in the other system and a net negative taxable income would result in tax eredits that could potentially be carried forward or back.

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Sewer	1999	2002	2001	2002	2003	2004	2005	2004	2007	2008	2008
Revenues:											
Rate Revenue:											
Rate Revenue	\$1,997,770	\$1,997,770	\$2,177,570	\$2,373,551	\$2,955,099	\$3,575,872	\$4,207,602	\$4,254,402	\$4,200,770	\$4,860,183	\$4,787,550
Growth Percentage	NA	9.00%	8.00%	24.92%	20.60%	17.67%	15.56%	14.02%	15.70%	8.44%	7.85%
Rate Revenue from Growth	0	179,799	195,981	591,548	610,774	631,730	654,572	596,371	859,414	410,356	366,013
Rate Revenue Prior to Rate Adjustment	\$1,997,770	\$2,177,570	\$2,373,551	\$2,965,009	\$3,575,872	\$4,207,602	\$4,862,174	\$4,850,773	\$4,860,183 0.00%	\$5,270,540	-6.20%
Percentage Rate Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-12.50% (607,772)	-13.40% (650,004)	0.00%	(482,990)	(267,831)
Rate Revenue from Rate Adjustment	0 \$1,997,770	\$2,177,570	\$2,373,551	\$2,985,000	\$3,575,872	\$4,207,802	\$4,254,402	\$4,200,770	\$4,650,183	\$4,787,550	\$4,885,733
	\$1,867,770	\$2,117,570	\$2,373,001	44,800,000	43,313, 9 12	44,207,002				• •• ••	•
Other Revenue:											
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	10	\$0	50	\$0
Total Revenues	\$1,997,770	\$2,177,570	\$2,373,551	\$2,965,099	\$3,575,872	\$4,207,802	\$4,254,402	\$4,200,770	\$4,860,183	\$4,787,550	\$4,665,733
Expenses:											
Additional O&M - Western Svd Area	\$0	\$0	\$0	\$279,835	\$303,409	\$326,629	\$349,621	\$372,705	\$408,960	\$430,595	\$462,856
Operating Expenses- Eastern Svc Area	\$1,195,116	\$1,492,462	\$1,551,016	\$1,670,919	\$1,782,030	\$1,887,405	\$1,989,185	\$2,068,733	\$2,202,033	\$2,281,544	\$2,359,374
Rate Case Expense	56,996	56,996	56,996	58,998	55,995	56,996	56,996	56,996	58,995 218,708	56,996 215,440	58,990 219,858
Franchise Fee- PSC	0	97,991	106,810	133,429	160,914	189,342	191,448 884,876	189,035	218,708	971,757	1.016.245
Depreciation (U & U Ant Only) Amort of CIAC (U & U Ant Only)	438,254	519,276	527,514	679,531 (307,990)	881,581 (328,061)	(330,322)	(332,787)	(335,701)	(356.060)	(308,103)	(319.534
Amort of Acq Adj	(262,148) 6,253	(271,850) 6,253	(283,296) 6,253	(307,000) 6,253	(328,001) 6,253	6.253	6,263	6,253	6,253	6,253	6,251
Total Expenses	\$1,432,471	\$1,901,128	\$1,965,291	52.518.973	\$2,863,161	\$3.019.464	\$3,145,562	13.265.005	\$3,560,624	\$3,655,781	\$3,792,051
Operating Income	\$565,299	\$276,442	\$405,260	\$440,126	\$712,711	\$1,186,146	\$1,106,810	\$935,764	\$1,200,550	\$1,130,769	\$1,093,682
Non Operating Income (Expenses):											
Non Oper Rev	50	50	\$0	\$0	50	\$0	\$0	\$0	\$0	\$0	\$0
Taxee Other Than Income:			**	•••	~	**	**		••		
Intencible Tax	0	6	0	0	0	٥	0	0	D	0	
Other Taxes & Licenses	(75)	ന്	ന്	(142)	(148)	(154)	(161)	(166)	(222)	(226)	(22)
											(396.87
Property Taxes:	(129,725)	(132,585)	(132,966)	(248,265)	(256,387)	(267,151)	(278,678)	(291,082)	(384,788)	(390,983)	(390,874
Total Non Operating Expenses	(\$129,800)	(\$132,002)	(\$133,042)	(\$246,407)	(\$258,515)	(\$267,306)	(\$275,839)	(\$291,251)	(\$385,010)	(\$391,209)	(\$397,09
Net Income	\$435,490	\$143,780	\$275,217	\$190,718	\$456,196	\$820,842	\$829,971	\$644,514	\$914,549	\$739,560	\$000,583
Taxable Income (See worksheet for taxable Income below) Income Texae:	\$213,813	\$0	\$0	\$0	\$0	\$192,186	\$126,270	\$0	\$0	\$0	\$
5.50%	11,780	٥	٥	0	0	10.570	6,945	Ċ	0	0	1
34.00%	66,698	ŏ	õ	ō	Ō	61,749	40,570	Ō	Ó.	0	
Total Income Taxee	\$80,458	\$0	\$0	\$0	\$0	\$72,319	\$47,515	\$0	10	\$0	
Net After Tax Income	\$355,041	\$143,780	\$275,217	\$199,718	\$456,196	\$244,523	\$782,466	\$644,814	\$914,549	\$738,580	\$464,58
Rate Base	\$4,979,232	\$4,852,112	\$4,433,883	\$11,562,503	\$11,148,273	\$10.036,731	\$8,904,962	\$7,750,629	\$12,862,943	\$11,157,363	\$10,516,80
					. , ,	. , .					
Rate of Return Achieved	7.13%	2.90%	0.21%	1.73%	4.09%	8.40%	8.79%	8.32%	7.11%	8.63%	6.62
Allowed Return	12.04%	7,10%	7.10%	0.72%	6.72%	6.72%	6.71%	6.71%	8.63%	5.63% \$739,500	5.62 ⁴ \$690.58
Allowed Return Amount	\$599,500	\$344,579	\$314,842	\$776,922	\$748,773	\$673,954	\$597,790	\$520,080	\$853,145	\$738,000	\$090,09
Worksheet for Taxable income:			·								
Interest Expense - Total	\$403.086	\$004.884	\$594,060	\$1.408.858	\$1,369,263	\$1,324,831	\$1,279,458	\$1,230,950	\$1,777,979	\$1,707,110	\$1,631,40
Allocation Percentage to Sewer (1)	\$403,088	\$5.00%	3044,080	\$1,408,808	\$1,309,203 55.00%	\$1,329,831 55.00%	55.00%	55.00%	65.00%	55.00%	55.00
Alocated Interest Expense - Sever	221.585	332,656	326,744	774,877	753.005	728.857	703.702	077,023	977,589		897.27
	221,000	000,000	020,144	11,411	100,000	· 60,001	· ••, · •				, <u>-</u>
Restatement of Nat Income Before Income Tax	\$435,499	\$143,780	\$275,217	\$199,718	\$456,196	\$920.842	\$829,971	\$644,514	\$914,549	\$739,580	\$696,55
LESS: Interest Expense - Sewer	221,688	332,686	326,744	774,877	753,095	728,657	703,702	677,023	977,889	938,911	897,27
Taxable Income - Sewer (2)	\$213,813	\$0	\$0	\$0	\$0	\$192,185	\$126,270	\$0	\$0	20.	\$

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(1) Allocation percentage based upon current water rate base as a percentage of total rate base.

(2) For simplicity, taxable income is calculated separately for water and wastewater, however, the tax return would be field on a consolidated basis. Furthermore, taxable income is not advesd to go negative in this model for water or wastewater. Negative taxable income in either system could offset taxable income in the other system and a net negative taxable income would result in tax oradits that could potentially be carried forward or back.

SOURCE: BURTON & ASSOCIATES CIDATA1129VOLATESTIM-TFAMES12.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

Water

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Existing Asset Depreciation

Existing Assets	Year	Estimated Driginal Cost 1 \$34,630	Life (Years)								
Franchises	1980	\$34,630	NA								
2 Structures	1962	12,746	33								
3 Wells & Springs	1985	50,533	30								
4 Other Pumping	1987	4,095	20								
5 Pumping Equip	1990	13,536	20								
8 Other Water Source Plant	1985	538	25								
7 Structures & Improvements	1993	35,424	33								
8 Treatment	1986	992,638	22								
9 Dist Reservoirs	1992	310,310	37								
D Mains	1989	3,310,401	45								
1 Services	1991	745,443	40								
2 Meters	1992	344,873	20								
2 mousta 3 Hydrants	1992	403.951	20 45								
4 Other T&D	1986	33,635	40								
5 Supply Mains			25 35								
	1991	1,392									
6 General	1980	2 190	33								
7 Fumiture	1994	3,688	15								
8 Power Equip	1987	732	10								
9 Misc Equip	1992	3,720	15								
0 Acquisition	1963	187,303	40								
1 Total Estimated Original Cost		\$6,491,778									
2 Adjustment to 1998 Annual Report Utility Plant in Service		(29,167)									
		(29,167) \$6,462,609									
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets	1999		2001	2002	2003	2004	2005	2006	2007	2008	2
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises	•	\$6,462,609	•	-	-	•	•	•	•	-	
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures	\$386	\$8,482,609 2000 \$388	\$386	\$386	\$386	\$386	\$380	\$386	\$386	\$386	:
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs	\$386 1,684	\$6,462,609 2000 \$386 1,684	\$386 1,684	\$386 1,684	\$388 1,684	\$386 1,684	\$380 1,684	\$386 1,684	•	-	:
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping	\$386 1,684 205	\$6,462,609 2000 \$386 1,684 205	\$386 1,684 205	\$386	\$386 1,684 205	\$386 1,684 205	\$380 1,684 205	\$386 1,684 205	\$386 1,684	\$386 1,684	\$ 1,
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip	\$386 1,684	\$6,462,609 2000 \$386 1,684	\$386 1,684	\$386 1,684	\$388 1,684	\$386 1,684	\$386 1,684 205 677	\$386 1,684 205 677	\$386 1,684 677	\$386 1,684 677	1
Adjustment to 1998 Annual Report Utility Plant In Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant	\$386 1,684 205	\$6,462,609 2000 \$386 1,684 205	\$386 1,684 205	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 677 21	\$386 1,684 677 21	\$ 1,
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip	\$386 1,684 205 677	\$6,482,609 2000 \$386 1,684 205 677	\$386 1,684 205 677	\$386 1,684 205 677	\$386 1,684 205 677	\$386 1,684 205 677 21 1,073	\$386 1,684 205 877 21 1,073	\$386 1,684 205 677 21 1,073	\$386 1,654 677 21 1,073	\$386 1,684 677	1
Adjustment to 1998 Annual Report Utility Plant In Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant	\$386 1,684 205 677 21 1,073	\$8,482,809 2000 \$386 1,684 205 677 21 1,073	\$386 1,684 205 677 21 1,073	\$386 1,684 205 677 21 1,073	\$386 1,684 205 677 21 1,073	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 205 677 21	\$386 1,684 677 21	\$386 1,684 677 21	1
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures Improvements Treatment	\$386 1,684 205 677 21 1,073 45,120	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120	\$386 1,684 205 677 21 1,073 45,120	\$386 1,684 205 677 21 1,073 45,120	\$386 1,684 205 677 21 1,073 45,120	\$386 1,684 205 677 21 1,073 45,120	\$380 1,684 205 877 21 1,073 45,120	\$386 1,684 205 677 21 1,073 45,120	\$386 1,684 677 21 1,073 45,120	\$386 1,684 677 21 1,073	4 1 1
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs	\$386 1,884 205 677 21 1,073 45,120 8,387	\$6,462,609 2000 \$386 1,684 205 677 21 1,073 45,120 6,387	\$386 1,684 205 677 21 1,073 45,120 8,387	\$386 1,684 205 677 21 1,073 45,120 8,387	\$386 1,684 205 677 21 1,073 45,120 8,387	\$386 1,684 205 677 21 1,073 45,120 8,387	\$380 1,684 205 877 21 1,073 45,120 8,387	\$386 1,684 205 677 21 1,073 45,120 8,387	\$386 1,684 677 21 1,073 45,120 8,387	\$386 1,664 677 21 1,073 8,367	1
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs Maine	\$386 1,884 205 677 21 1,073 45,120 8,387 73,584	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564	\$386 1,684 677 21 1,073 45,120 8,387 73,564	\$386 1,684 677 21 1,073 8,387 73,564	1 1 1 8 73
Adjustment to 1998 Annual Report Utility Plant in Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Weils & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs Mains A Services	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636	\$8,482,600 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,836	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,638	\$388 1,684 205 677 21 1,073 45,120 8,387 73,564 18,638	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636	\$386 1,684 677 21 1,073 6,367 73,564 18,636	9 1 1 8 73 18
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Other Vater Source Plant Structures & Improvements Treatment Dist Reservoirs Mains Services Maters	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$8,482,609 2000 \$386 1,884 205 677 21 1,073 45,120 8,387 73,584 18,636 17,244	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$336 1,684 205 677 21 1,073 45,120 8,367 73,564 18,638 17,244	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244	\$386 1,684 677 21 1,073 8,387 73,564 18,636 17,244	1 1 8 73 18 17
Adjustment to 1998 Annual Report Utility Plant In Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs Mains Services Meters Hydrants	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977	\$8,482,609 2000 \$386 1,884 205 677 21 1,073 45,120 6,387 73,564 18,636 17,244 8,977	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977	\$386 1,684 205 677 21 1,073 45,120 8,367 73,564 18,636 17,244 8,977	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,836 17,244 8,877	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,677	\$386 1,664 677 21 1,073 8,387 73,564 18,636 17,244 8,977	1 1 8 73 18 17 8
Adjustment to 1998 Annual Report Utility Plant In Service Total Utility Plant in Service Depreciation Schedule - Existing Assets Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs Maine Services Meters Hydrants Other T&D	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,077 1,345	\$8,482,600 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345	\$386 1,684 205 677 21 1,073 45,120 8,537 73,564 18,636 17,244 8,977 1,345	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345	\$386 1,684 677 21 1,073 8,387 73,564 18,638 17,244 8,977 1,345	1 1 8 73 18 17 8
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Vaster Source Plant Structures & Improvements Treatment Dist Reservoirs Mains Hydrants Other T&D Supply Mains	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,077 1,345 40	\$8,482,609 2000 \$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	- \$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,635 17,244 8,977 1,345 40	\$386 1,684 677 21 1,073 73,564 18,638 17,244 8,977 1,345 40	1 1 73 18 17
Adjustment to 1998 Annual Report Utility Plant In Service Depreciation Schedule - Edisting Assets - Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Dist Reservoirs Mains Services Meters Hydrants Other T&D Supply Mains General	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66	\$8,462,600 2000 \$386 1,684 205 677 21 1,073 45,120 6,387 73,564 18,636 17,244 8,977 1,345 40 66	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345 40 68	\$386 1,664 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,8977 1,345 40 66	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 68	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877 1,345 40 66	- \$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66	\$386 1,684 677 21 1,073 45,120 8,587 73,564 18,636 17,244 8,6977 1,345 40 66	\$386 1,684 677 21 1,073 8,387 73,564 18,636 17,244 8,977 1,345 40 66	1 1 73 18 17
Adjustment to 1998 Annual Report Utility Plant in Service Total Utility Plant in Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Structures & Improvements Treatment Dist Reservoirs Maine Services Meters Hydrants Other T&D General General OFurthure	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,077 1,345 40	\$8,482,609 2000 \$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	- \$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,635 17,244 8,977 1,345 40	\$386 1,684 677 21 1,073 73,564 18,638 17,244 8,977 1,345 40	1 1 73 18 17
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Equip Other Pumping Equip Other Vatar Source Plant Structures & Improvements Treatment Dist Reservoirs Mains Hydrants Other T&D Supply Mains General Fumiture Tower Equip	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,077 1,345 40 66 246	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120 6,387 73,564 18,836 17,244 8,977 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246	\$386 1,884 205 877 21 1,073 45,120 8,387 73,584 18,638 17,244 8,977 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246	\$386 1,684 205 677 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 68 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246	\$386 1,684 677 21 1,073 45,120 8,587 73,564 18,636 17,244 8,6977 1,345 40 66	\$386 1,684 677 21 1,073 8,387 73,564 18,636 17,244 8,977 1,345 40 66	1 1 73 18 17
Adjustment to 1998 Annual Report Utility Plant In Service Depreciation Schedule - Existing Assets - Franchises Structures Wells & Springs Other Pumping Pumping Equip Other Water Source Plant Dist Reservoirs Mains Services Meters Hydrants Other T&D Supply Mains General Power Equip Net Equip	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,836 17,244 8,977 1,345 40 66 246 248	\$8,482,600 2000 \$386 1,684 205 677 21 1,073 45,120 6,387 73,564 18,836 17,244 18,836 17,244 18,836 17,244 3,977 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345 40 68 246	\$386 1,664 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 68 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877 1,345 40 66 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,077 1,345 40 66 246	\$386 1,684 677 21 1,073 45,120 8,587 73,564 18,636 17,244 8,677 1,345 40 068 246	\$386 1,684 677 21 1,073 6,387 73,564 18,636 17,244 8,977 1,345 40 0 66 246	9 1 1 8 73 18 17 18 17 7 8 11
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service bepreciation Schedule - Existing Assets - 4 Franchises 5 5 6 9 7 0 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 10 9 11 12 13 14 15 15 16 17 18 19 19 10 11 11 12 13 14 15 16 17 18	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246 246 248 248	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,584 18,636 17,244 18,636 17,244 8,977 1,345 40 66 248 248 4,683	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246 248 4,683	\$386 1,684 205 677 21 1,073 45,120 8,367 73,564 18,636 17,244 8,977 1,345 40 66 246 246 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 18,636 17,244 18,636 17,244 40 66 246 248 4,663	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 18,636 17,244 13,636 17,244 248 40 68 248 248	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246 248 4,663	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 248 248 4,663	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877 1,345 40 68 246	\$386 1,684 677 21 1,073 8,387 73,564 18,638 17,244 8,977 1,345 40 66 246 246	5 1 8 73 18 17 8 17 8 1
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant In Service Depreciation Schedule - Existing Assets - 4 Franchises 5 Structures 8 Wells & Springs 7 Other Pumping 9 Other Variant Source Plant 0 Structures & Improvements 1 Treatment 2 Dist Reservoirs 3 Mains 4 Services 5 Meters 6 Hydrants 7 Other T&D 8 Supply Mains 9 General 10 Fouriture 11 Power Equip 2 Misc Equip 3 Mac Equip	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,836 17,244 8,977 1,345 40 66 246 248 4,683 \$182,603	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,584 18,636 17,244 8,977 1,345 246 246 246 246 5182,603 \$182,603	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 68 246 246 246 248 \$182,603	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246 246 246 246 5182,803	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,385 17,244 8,977 1,345 40 66 246 246 248 248 248 3 \$182,803	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 68 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246 246 246 248 5182,803	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246 246 246 5182,603	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 68 246 246 246 5182,150	\$386 1,684 677 21 1,073 73,564 18,636 17,244 8,977 1,345 40 66 246 246 5137,030	1 1 8 73 18 17 8 17 8 17 8 17 8 17 8 17
2 Adjustment to 1998 Annual Report Utility Plant In Service 3 Total Utility Plant in Service bepreciation Schedule - Existing Assets - 4 Franchises 5 5 6 9 7 0 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 10 9 11 12 13 14 15 15 16 17 18 19 19 10 11 11 12 13 14 15 16 17 18	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 246 246 248 248	\$8,482,609 2000 \$386 1,684 205 677 21 1,073 45,120 8,387 73,584 18,636 17,244 18,636 17,244 8,977 1,345 40 66 248 248 4,683	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246 248 4,683	\$386 1,884 205 677 21 1,073 45,120 8,387 73,564 18,638 17,244 8,977 1,345 40 68 246	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 18,636 17,244 18,636 17,244 40 66 246 248 4,663	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 18,636 17,244 13,636 17,244 248 40 68 248 248	\$386 1,684 205 677 21 1,073 45,120 8,387 73,554 18,636 17,244 8,977 1,345 40 66 246 248 4,663	\$386 1,684 205 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,977 1,345 40 66 248 248 4,663	\$386 1,684 677 21 1,073 45,120 8,387 73,564 18,636 17,244 8,877 1,345 40 68 246	\$386 1,684 677 21 1,073 8,387 73,564 18,638 17,244 8,977 1,345 40 66 246 246	1 1 8 73 18 17 8 17 4

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

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New Asset Depreciation

	. .		Estimated		
Ne	ew Assets 1	Year	Original Cost	Life (Years)	
1	Water Plant- East Svc Area	2000	\$1,500,000	28	
2	8" PVC Well Header	2002	24,000	45	
3	16" PVC Water Main	2002	380,000	45	
4	750 GPM Supply Wells	2002	225,000	30	
5	12" PVC Well Header	2002	30,000	45	
6	2.0 MG Reservoir w/ Aerator	2002	700,000	40	
7	Pumping Station #1 Complete	2002	1.400.000	25	
8	12" PVC Water Main	2002	360,000	45	
9	Engineering & Contingency	2002	804,750	30	
10	2.0 MG Reservoir w. Aerator	2007	700,000	40	
11	Expand Pump Station #1	2007	600,000	20	
12	750 GPM Supply Wells	2007	225,000	30	
13	12" PVC Well Header	2007	30,000	45	
14	16" PVC Well Header	2007	38,000	45	
15	Engineering & Contingency	2007	505,500	30	
16	8" PVC Well Header	2007	24,000	45	
17	24" PVC Water Main	2007	405,000	45	
18	Land ,	2000	100,000		

	Depreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
19	Water Plant- East Svc Area		•	\$28,848	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692	\$57,692
20	8" PVC Well Header		•	-	-	267	533	533	533	533	533	533	533
21	16" PVC Water Main		-	-	-	4,222	8,444	8,444	8,444	8,444	8,444	8,444	8,444
22	750 GPM Supply Wells		-	-	•	3,750	7,500	7,500	7,500	7,500	7,500	7,500	7,500
23	12" PVC Well Header		-	-	•	333	667	667	667	667	667	667	667
24	2.0 MG Reservoir w/ Aerator		•	•	•	8,750	17,500	17,500	17,500	17,500	17,500	17,500	17,500
25	Pumping Station #1 Complete			-	-	28,000	56,000	56,000	56,000	56,000	58,000	56,000	56,000
26	12" PVC Water Main		-	-	•	4,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
27	Engineering & Contingency		•	•	-	13,413	26,825	26,825	26,825	26,825	26,825	26,825	26,825
28	2.0 MG Reservoir w. Aerator		•	•	-	-	-	•		-	8,750	17,500	17,500
- 29	Expand Pump Station #1		-	-	-	-	-	•	-	-	15,000	30,000	30,000
30	750 GPM Supply Wells		•	•	•	•	-	-	-	•	3,750	7,500	7,500
31	12" PVC Well Header		-	-	-	•	-	-	-	•	333	667	667
32	16" PVC Well Header		-	-	-	-	•	-	-	•	422	844	844
33	Engineering & Contingency		•	•	•	-	-	-	•	-	8,425	16,850	16,850
- 34	8" PVC Well Header		-	-	•	•	•	-	-	•	267	533	533
35	24" PVC Water Main		-	•	-	-	•	•	-	-	4,500	9,000	9,000
- 36	Land		-	•	-	-	•	-	-	-	•	-	•
47	CIAC Plant		-	2,102	4,582	13,470	13,919	14,409	14,943	15,558	19,740	12,058	11,827
48	Total New Depreciation		•	\$30,948	\$52,274	\$133,897	\$197,081	\$197,571	\$198,105	\$198,720	\$244,349	\$278,112	\$277,883
	Total Depreciation - Water												
49	Total Edisting Depreciation		\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,150	\$137,030	\$136,784
50	Total New Depreciation		•	30,948	62,274	133,897	197,081	197.571	198,105	198,720	244,349	278,112	277,883
51	Total Depreciation		\$182,603	\$213,551	\$244,877	\$316,500	\$379,664	\$390,174	\$380,708	\$381,323	\$426,499	\$415,142	\$414,667
52	Accumulated Depreciation	\$1,635,149	\$1,817,752	\$2,031,302	\$2,276,179	\$2,592,679	\$2,972,362	\$3,352,536	\$3,733,244	\$4,114,567	\$4,541,065	\$4,956,207	\$5,370,875
SOUR	CE: BURTON & ASSOCIATES												

SOURCE: BURTON & ASSOCIATES C:\DATA\123\CUATESTIM=1\FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

SEWER:

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Existing Asset Depreciation

			Estimated	
	Existing Assets	Year	Original Cost	Life (Years)
1	Franchises	1980	\$34,630	NA
2	Sewers-Force	1991	1,209,416	30
3	Sewers-Gravity	1989	4,843,762	45
4	Other	1985	75,209	40
5	Services	1991	737,204	38
6	Receiving Well	1991	459,021	30
7	Pumping Equip	1992	996,960	18
8	Structures	1986	78,871	32
9	Treat Equip	1990	1,840,940	18
10	Outfall Sewer	1987	4,941	30
11	Other Treatment	1991	13,265	18
12	Structures	1994	90,237	32
13	General	1981	6,241	32
14	Furniture	1986	711	15
15	Laboratory	1995	7,747	15
16	Power Equip	1983	732	12
17	Misc Equip	1989	1,589	15
18		1983	243,854	39
19			\$10,645,330	
20	Adjustment to 1998 Annual Report Utility Plant in Service		308,909	
21	Total Utility Plant In Service		\$10,954,239	

D	epreciation Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
- 22 -	Franchises	-	-	•	•	-	•	•		-	•	-
23	Sewers-Force	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40,314
24	Sewers-Gravity	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639	107,639
25	Other	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880	1,880
26	Services	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400	19,400
27	Receiving Well	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301	15,301
28	Pumping Equip	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387	55,387
29	Structures	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465	2,465
30	Treat Equip	102,274	102,274	102,274	102,274	102,274	102,274	102,274	102,274	102,274	•	· -
31	Outfall Sewer	165	165	165	165	165	165	165	165	165	165	165
32	Other Treatment	737	737	737	737	737	737	737	737	737	737	•
33	Structures	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
34	General	195	195	195	195	195	195	195	195	195	195	195
35	Furniture	47	47	•		•	-	-	•	•	-	-
36	Laboratory	516	516	516	516	516	516	516	516	516	516	516
37	Power Equip	-	•	•		•	•	-	-	-	•	•
38	Misc Equip	106	106	106	106	106	-	-	-	-	-	•
39	Acquisition	6,253	6,253	6,253	6,253	6,253	6,253	6,253	6,253	6,253	6,253	6,253
40 Tr	tal Existing Depreciation	\$355,499	\$355,499	\$355,452	\$355,452	\$355,452	\$355,346	\$355,348	\$355,346	\$355,346	\$253,071	\$252,334
	djustment to Reconcile to Accounting Records	4,756	4,756	4,756	4,756	4,756	4,756	4,758	4,756	4,756	4,756	4,756
42 T	stal Existing Depreciation	\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	\$360,102	\$360,102	\$257,827	\$257,090

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

SEWER:

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New Asset Depreciation

	•	Estimated	
New Assets	Year		Life (Years)
WWTP Improvement East Svc Area	1999	\$3,343,962	22
Master Lift Station # 1	2002	200,000	21
16" PVC Force Main	2002	456,000	30
8" PVC Force Main	2002	408,000	30
1.0 MGD WWTP	2002	5,500,000	26
16" PVC Outfall/Xfer (50% Cost)	2002	360,000	30
	2002	1,793,500	30
	2007	5,000,000	26
12" PVC Force Main	2007	240,000	30
Engineering & Contingency	2007	1,310,000	30
Land	2000	250,000	•
	WWTP Improvement East Svc Area Master Lift Station # 1 16" PVC Force Main 8" PVC Force Main 1.0 MGD WWTP 16" PVC Outfall/Xfer (50% Cost) Engineering & Contingency 1.0 MGD WWTP Expansion 12" PVC Force Main Engineering & Contingency	WWTP Improvement East Svc Area 1999 Master Lift Station # 1 2002 16" PVC Force Main 2002 3" PVC Force Main 2002 1.0 MGD WWTP 2002 16" PVC Outfall/Xfer (50% Cost) 2002 16" PVC Outfall/Xfer (50% Cost) 2002 10 MGD WWTP 2002 1.0 MGD WWTP 2002 1.0 MGD WWTP Expansion 2007 10" MGD WWTP Expansion 2007 12" PVC Force Main 2007 Engineering & Contingency 2007	WWTP Improvement East Svc Area 1999 \$3,343,962 Master Lift Station # 1 2002 200,000 16" PVC Force Main 2002 456,000 8" PVC Force Main 2002 456,000 9" PVC Force Main 2002 456,000 1.0 MGD WWTP 2002 5,500,000 16" PVC Outfall/Xfer (50% Cost) 2002 360,000 Engineering & Contingency 2002 1,783,500 1.0 MGD WWTP Expansion 2007 5,000,000 12" PVC Force Main 2007 240,000 Engineering & Contingency 2007 1,310,000

preciation Schedule - New Assets		1999	2000	2001								2009
WWTP Improvement East Svc Area		\$75,999	\$151,998	\$151,998								\$151,998
Master Lift Station # 1		-	•	•								9,524
16" PVC Force Main		-	-	-								15,200
8" PVC Force Main		•	-	-								13,600
1.0 MGD WWTP		-	-	•								211,538
16" PVC Outfali/Xfer (50% Cost)		-	•	•								12,000
Engineering & Contingency		•	-	-	29,892	59,783	59,783	59,783	59,783			59,783
		-	•	•	•	-	•	-	•			192,308
		-	-	-	•	-	-	•	•			8,000
Engineering & Contingency		-	-	•	•	-	-	-	•	21,833	43,667	43,667
Land		-	•	•	•	-	-					
		•										41,537
tal New Depreciation		\$75,999	\$159,021	\$167,307	\$359,028	\$521,353	\$522,990	\$524,774	\$526,883	\$663,607	\$759,920	\$759,155
tal Depreciation - Sewer												
tal Existing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	\$360,102	\$360,102	\$257,827	\$257,090
tal New Depreciation		75,999	159,021	167,307	359,028	521,353	522,990	524,774	526,883			759,155
tal Depreciation		\$436,254	\$519,276	\$527,514	\$719,238	\$881,561	\$883,092	\$884,876	\$886,9853	\$1,023,708	\$1,017,747	\$1,016,245
cumulated Depreciation	\$2,768,561	\$3,204,815	\$3,724,091	\$4,251,605	\$4,970,841	\$5,852,402	\$6,735,494	\$7,620,369	\$8,507,354	\$9,531,062	\$10,548,809	\$11,565,055
	WWTP Improvement East Svc Area Master Lift Station # 1 16" PVC Force Main 8" PVC Force Main 1.0 MGD WWTP 16" PVC Outfall/Xfer (50% Cost) Engineering & Contingency 1.0 MGD WWTP Expansion 12" PVC Force Main Engineering & Contingency Land CIAC Plant al New Depreciation tal Depreciation - Sewer al Existing Depreciation al New Depreciation tal Depreciation	WWTP Improvement East Svc Area Master Lift Station # 1 16" PVC Force Main 8" PVC Force Main 1.0 MGD WWTP 16" PVC Outfall/Xfer (50% Cost) Engineering & Contingency 1.0 MGD WWTP Expansion 12" PVC Force Main Engineering & Contingency Land CIAC Plant al New Depreciation tal Depreciation - Sewer al Existing Depreciation al New Depreciation tal Depreciation	WWTP Improvement East Svc Area \$75,999 Master Lift Station # 1 - 16" PVC Force Main - 5" PVC Force Main - 1.0 MGD WWTP - 16" PVC Outfail/Xfer (50% Cost) - Engineering & Contingency - 1.0 MGD WWTP Expansion - 1.0 MGD WWTP Expansion - 1.2" PVC Force Main - 1.0 MGD WWTP Expansion - 1.2" PVC Force Main - Engineering & Contingency - Land - CIAC Plant - al New Depreciation \$75,999 tal Depreciation \$360,255 al New Depreciation \$75,999 tal Depreciation \$436,254	WWTP Improvement East Svc Area \$75,999 \$151,998 Master Lift Station # 1 - - 16" PVC Force Main - - 8" PVC Force Main - - 1.0 MGD WWTP - - 16" PVC Outfail/Xfer (50% Cost) - - 10 MGD WWTP - - 10 MGD WWTP Expansion - - 1.0 MGD WWTP Expansion - - 1.0 MGD WWTP Expansion - - 12" PVC Force Main - - Engineering & Contingency - - 1.0 MGD WWTP Expansion - - 12" PVC Force Main - - Engineering & Contingency - - Land - - - CIAC Plant - 7,022 al New Depreciation - Sewer al Existing Depreciation \$360,255 \$360,255 \$360,255 al New Depreciation 75,999 159,021 159,021 fal Depreciation 75,999 159,021 <td>WWTP Improvement East Svc Area \$75,999 \$151,998 \$151,998 Master Lift Station # 1 - - - - 16" PVC Force Main - <</td> <td>WWTP Improvement East Six Area \$75,999 \$151,998 \$159,002 \$6,000 \$10,998 \$159,021 \$10,57,999 \$159,021 \$10,998 \$159,021 \$10,998 \$159,021 \$167,307 \$359,028 \$360,255 \$360,255 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$36</td> <td>WWTP Improvement East Svc Area \$75,999 \$151,998 \$150,001 \$20,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000</td> <td>WWTP Improvement East Svc Area \$75,999 \$151,998 \$100 \$100 \$100<td>WWTP Improvement East Svc Area \$75,999 \$151,998</td><td>WWTP Improvement East Svc Area \$75,999 \$151,998</td><td>Activity of the provement East Svc Area \$75,999 \$151,998</td><td>Normalization \$75,999 \$151,998</td></td>	WWTP Improvement East Svc Area \$75,999 \$151,998 \$151,998 Master Lift Station # 1 - - - - 16" PVC Force Main - <	WWTP Improvement East Six Area \$75,999 \$151,998 \$159,002 \$6,000 \$10,998 \$159,021 \$10,57,999 \$159,021 \$10,998 \$159,021 \$10,998 \$159,021 \$167,307 \$359,028 \$360,255 \$360,255 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$360,208 \$36	WWTP Improvement East Svc Area \$75,999 \$151,998 \$150,001 \$20,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000 \$12,000	WWTP Improvement East Svc Area \$75,999 \$151,998 \$100 \$100 \$100 <td>WWTP Improvement East Svc Area \$75,999 \$151,998</td> <td>WWTP Improvement East Svc Area \$75,999 \$151,998</td> <td>Activity of the provement East Svc Area \$75,999 \$151,998</td> <td>Normalization \$75,999 \$151,998</td>	WWTP Improvement East Svc Area \$75,999 \$151,998	WWTP Improvement East Svc Area \$75,999 \$151,998	Activity of the provement East Svc Area \$75,999 \$151,998	Normalization \$75,999 \$151,998

SOURCE: BURTON & ASSOCIATES

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Figure 7 Page 1 of 2

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

Water - Existing CIAC

Existing CIAC

			Estimated	
	Existing CIAC- Plant	Year	Original Cost	Life (Years)
1	Other	1989	\$29,688	30
2	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains	1988	2,585,764	45
4	Services	1990	559,129	40
5	Meters & Meter Installs	1992	181,201	20
6	Hydrants	1990	307,505	45
7	Total Existing CIAC - Plant		\$3,687,777	

	Existing CIAC - Cash	Year	Estimated Original Cost	Life (Years)
8	Cash		\$1,318,650	<u>- Lie (1983)</u> 30
9	Total Existing CIAC - Cash		\$1,318,850	
10	Total Existing CIAC		\$5,006,427	
11	Adjustment to 1995 Annual Report		130,062	
12	Total Existing CIAC		\$5,136,489	

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Amortization of Existing CIAC

Amortization Schedule - Evisting Cash CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	2009
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Dist Mains 18 Services 17 Meters & Meter installs 18 Hydrants	\$990 662 57,461 13,978 9,060 6,833	\$990 662 57,461 13,978 9,080 6,633	\$990 662 57,461 13,978 9,060 6,833	\$900 662 57,461 13,978 9,060 6,633	\$990 662 57,461 13,976 9,060 6,833	\$990 962 57,461 13,978 9,060 6,833	\$990 652 57,461 13,978 9,060 6,833	\$990 662 57,461 13,978 9,060 6,833	\$990 652 67,461 13,978 9,060 6,833	\$990 862 57,461 13,978 9,060 6,833	\$990 662 67,461 13,978 9,060 6,833
19 Total Plant Amoritzation	\$88,985	\$88,985	\$88,985	\$88,985	\$58,955	\$88,985	\$88,985	\$88,985	\$88,985	\$88,985	\$58,985

20 Cash	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955
21 Total Cash CIAC Amontzation	\$43,955	\$43,965	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,965
22 Total Edisting CIAC Amortization 33 Adjustment to Recordie to Accounting Records	\$132,940 \$10,373										
24 Total Existing CIAC Amortization	\$143,313	\$143,313	\$143,313	\$143,313	\$145,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313

SOURCE: BURTON & ASSOCIATES

CADATAMI2SYCUTESTIM-1VFAMSS12.WK4

Figure 7 Page 2 of 2

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

Scenario 1 - intercoastal Utilities Water and Sewer Rates w/ intercoastal Capital Plan

			<u>1999</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	New CIAC- Plant:	CIAC per Life ERC											
1	Transmission & Dist Mains	43 \$469.63	•	\$120,761	\$131,630	\$386,978	\$399,890	\$413,965	\$429,307	\$446,969 \$96,650	\$587,105 \$122,827	\$346,349 \$74,892	\$339,775 \$73,471
2	Services	40 \$101.55	•	\$26,113	\$28,463	* \$83,678 \$27,118	\$86,470 \$28,023	\$89,513 \$29,009	\$92,831 \$30,064	\$31,322	\$122,027 \$39,741	\$24,271	\$23,810
3	Meters & Meter installs	20 \$32.91 45 \$65.85	-	\$8,463 \$14,361	\$9,224 \$15,654	\$46.020	\$47,556	\$49,230	\$51,054	\$53,154	\$67,441	\$41,189	\$40,407
	Hydrants Total New CIAC - Plent	40 300.60		\$169,697	\$15,654	\$543,793	\$561,939	\$581,717	\$603,276	\$628,095	\$796,915	\$486,701	\$477,462
9	Total New Cold - Frenk		•	4104,041	#104,370		4001,000	••••				• ••••	• · · · • · · -
6	New CIAC - Cash:												A.00 005
7 8	New CIAC - Cash Life	30	•	\$60,287	\$65,713	\$193,189	\$199,636	\$206,663	\$214,322	\$223,139	\$283,114	\$172,907	\$169,825
9	Total New CIAC - Cash		•	\$60,287	\$65,713	\$193,189	\$199,636	\$206,663	\$214,322	\$223,139	\$283,114	\$172,907	\$169,625
10	Tetal New CIAC		-	\$229,964	\$250,683	\$736,963	\$781,575	\$785,380	\$817,598	\$851,234	\$1,090,028	\$659,608	\$647,087
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets		<u>1999</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
11	New CIAC - Plant Amortization												
12	Transmission & Dist Mains	د	-	\$1,404	\$3,061	\$8,999	\$9,300	\$9,627	\$9,984	\$10,395	\$13,188	\$8,065	\$7,902
13	Services		-	\$326	\$712	\$2,092	\$2,162	\$2,238	\$2,321	\$2,416	\$3,066	\$1,872	\$1,837
- 14	Meters & Meter instals		-	\$212	\$461	\$1,356	\$1,401	\$1,450	\$1,504	\$1,566	\$1,987	\$1,214	\$1,191
15	Hydranis		-	\$160	\$348	\$1,023	\$1,057	\$1,094	\$1,135	\$1,181	\$1,499	\$915	\$898
16	Total New CIAC - Plant Amortization		-	\$2,102	\$4,582	\$13,470	\$13,919	\$14,409	\$14,943	\$15,558	a 18,740	a 12,000	911,027
	New CIAC - Cash Amoritzation		-	\$1,005	\$2,190	\$6,440	\$6,655	\$6,889	\$7,144	\$7,438	\$9,437	\$5,764	\$5,654 \$5,654
17	Total New CIAC - Cash Amorization		•	\$1,005	\$2,190	\$6,440	\$6,655	\$6,889	\$7,144	\$7,438	\$9,437	\$5,764	
18	Total New CIAC Amortization		•	\$3,107	\$6,772	\$18,910	\$20,574	\$21,290	\$22,087	\$22,995	\$29,177	\$17,819	\$17,481
_	Summary of CIAC & CIAC Amortization	n - Water						· · · · ·					
	CIAC	Existing 1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008
	Total Existing CIAC	\$5,136,489				-				****	** ***	**** ***	PR47 087
20 21	Total New CIAC Total Accumulated CIAC - Water	\$5,136,489	\$5,136,489	\$229,984 \$5,366,473	\$250,683	\$736,983 \$6,354,139	\$761,575	\$788,380	\$817,598	\$851,234	\$1,080,029 \$10,652,954	\$659,608	\$647,087
21		ə0,130,408	90,130,489	ə0,300,4/3	40,017,107	40,304,139	\$7,115,714	@ <i>1,3</i> 04,0 04	#0,/4,1,044	99,012,820	# 10,002,804	e11,312,003	e (1,808,000
22	CIAC Amortization Total Edisting CIAC Annual Amortization		\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143.313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313
23	Total New CIAC Annual Amortization		•	3,107	6,772	19,910	20,574	21,298	22,087	22,996	29,177	17,819	17,481
24			\$143,313	\$146,419	\$150,085	\$163,222	\$163,887	\$164,611	\$165,400	\$166,309	\$172,490	\$161,132	\$160,794
25	Accumulated CIAC Amortization	\$1,078,705	\$1,222,018	\$1,368,437	\$1,518,522	\$1,681,745	\$1,845,831	\$2,010,242	\$2,175,642	\$2,341,951	\$2,514,441	\$2,675,573	\$2,838,367

SOURCE: BURTON & ASSOCIATES C1DATA(123)CUATESTIN-1/FAM5312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

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Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

Sewer - Existing CIAC

Existing CIAC

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	Existing CIAC - Plant	Year	Estimated Original Cost	Life (Years)
1	Other	1992	\$73,594	
2	Sewers - Force	1989	860,755	30
3	Sewers - Gravity	1988	3,717,755	45
4	Other - Collecting	1985	62,148	40
5	Services	1990	561,347	36
6	Stuctures	1997	5,500	32
7	Receiving Well	1991	247,738	30
8	Pumping Equipment	1990	601,274	18
9	Total Existing CIAC - Plant		\$6,030,111	

	Existing CIAC - Cash	Estimate Year Original C	
10	Cash	1992 \$2,386	734 30
	Total Existing CIAC - Cash	\$2,386,	734
11 12	Total Existing CIAC Adjustment to 1928 Annual Report	\$8,416, 185,	922
13	Total Existing CAC	\$8,602	767

Amortization of Existing CIAC

	Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2009
14	Oner	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,453	\$2,463	\$2,453
15	Sewers - Force	28,692	28,592	28,692	28,692	28,692	28,692	28,692	28,692	28,692	28,692	28,692
16	Severs - Gravity	82,617	82,617	82.617	82,817	82,617	82.617	82,617	82,617	82,617	82,617	82,617
17	Other - Colecting	1,554	1,554	1,554	1,654	1.654	1,554	1,554	1,664	1,554	1,554	1,554
18	Services	14 772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772	14,772
19	Siructures	172	172	172	172	172	172	172	172	172	172	172
20	Receiving Wet	8,258	8,258	8,258	8,258	8,258	8,258	8,258	8,258	8,258	8,258	8,258
21	Pumping Equipment	27,849	27.849	27,849	27,849	27,849	27,849	27,849	27,849	27,849	0,200	0,200
22	Total Plant Amortization	\$166.366	\$166,366								•	· · · · · ·
		\$100,300	a 100,300	\$165,365	\$166,366	\$166,366	\$165,366	\$166,366	\$166,366	\$166,366	\$138,518	\$138,518

Amortization Schedule - Existing Cash CIAC											
23 Cash	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79.558	\$79,558
24 Total Cash CIAC Amorization	\$79,658	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558
25 Total Edisting CIAC Amortization 26 Adjustment to Reconcile to Accounting Records	\$245,924 \$16,224	\$218,075 \$44,072	\$218,075 \$44,072								
27 Total Existing CIAC Amortization	\$262,144	\$262,148	\$262,148	\$262,148	3262 144	3282 148	\$282,148	\$262 148	222148	5262144	121214

SOURCE: BURTON & ASSOCIATES CADATANS29VCUATEBTIM-1VFAMS312.WK4

Figure 8 Page 1 of 2

Figure 8 Page 2 of 2 1

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER</u>

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

New CIAC

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		<u>1999</u>	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
	CIAC per											
New CIAC - Plant:	Life ERC				\$20,032	\$20,683	\$21,393	\$22,166	\$23,080	\$29,469	\$18,339	\$18,007
1 Structures & Improvements	32 \$23.65 30 \$301.25	-	\$5,069 \$77,472	\$6,637 \$84,444	\$254,685	\$263,169	\$272,199	\$262,041	\$293,673	\$374,962	\$233,341	\$229,123
2 Sewers - Force 3 Sewers - Gravity	45 \$1.301.28	-	\$334,615	\$364,730	\$1,100,897	\$1,136,677	\$1,175,677	\$1,218,167	\$1,268,427	\$1,619,529	\$1,007,841	\$989,623
3 Sewers - Grevity 4 Services	38 \$196.48	•	\$50,524	\$55,071	\$166.225	\$171.628	\$177.517	\$183,935	\$191,521	\$244,534	\$152,175	\$149,424
5 Pumping Equip	18 \$175.45		\$45,117	\$49,177	\$148,437	\$153,261	\$158,519	\$164,251	\$171,025	\$218,365	\$135,890	\$133,433
6 Life	30		••••	•								
7 Total New CIAC - Plant		•	\$513,818	\$560,059	\$1,690,476	\$1,745,418	\$1,805,305	\$1,870,581	\$1,947,727	\$2,456,859	\$1,547,584	\$1,519,810
New CLAC - Cash:						_					\$484,217	\$475,485
8 New CIAC- Cash		•	\$160,766	\$175,235	\$528,926	\$548,117	\$584,855	\$585,279	\$809,416	\$778,103	3404,217	4410,400
9 Life 10 Total New CIAC - Cash	30	•	\$160,766	\$175,235	\$528,926	\$546,117	\$564,855	\$585,279	\$509,416	\$778,103	\$484,217	\$475,465
11 Total New CIAC		•	\$874,581	\$735,294	\$2,218,403	\$2,291,535	\$2,370,150	\$2,455,856	\$2,557,143	\$3,264,963	\$2,031,802	\$1,995,074
Amortization of New CIAC		1999	2000	2001	2002	2003	2004	2005	2006	<u>2007</u>	2008	2009
12 New CIAC - Plant Amortization 13 Structures & Improvements	·		\$95	\$207	\$626	\$646	\$689	\$693	\$721	\$921	\$573	\$563
13 Structures & Improvements 14 Severs - Force			\$1,291	\$2,815	\$5,496	\$6,772	\$9,073	\$9,401	\$9,789	\$12,499	\$7,778	\$7,637
15 Severs - Gravity			\$3,718	\$8,105	524 464	\$25,259	\$26,126	\$27,071	\$28,187	\$35,990	\$22,396	\$21,992
16 Services		-	\$865	\$1,449	\$4,374	\$4,517	\$4,671	\$4,840	\$5,040	\$8,435	\$4,005	\$3,932
17 Pumping Equip		•	\$1,253	\$2,732	\$8,246	\$8,514	\$8,807	\$9,125	\$9,501	\$12,131	\$7,549	\$7,413 \$41,537
13 Total New CIAC - Plant Amortization		•	\$7,022	\$15,309	\$46,207	\$47,709	\$49,345	\$51,130	\$53,239	\$67,976	\$42,302	\$41,337
18 New CIAC- Cash Amortization			\$2,679	\$5.841	\$17,631	\$18,204	\$18,828	\$19,509	\$20,314	\$25,937	\$16,141	\$15,849
19 Total Cash Amortization			\$2,679	\$5,841	\$17,631	\$18,204	\$18,628	\$19,509	\$20,314	\$25,937	\$18,141	\$15,849
20 Total New CIAC Amortization		•	\$9,702	\$21,150	\$63,838	\$65,913	\$68,175	\$70,640	\$73,553	\$83,912	\$58,442	\$57,386
Summary of CIAC & CIAC	Amortization - Sewer				···.		····		<u></u>			
CIAC	Educing 1996	1998	2900	2001	2002	2003	2004	2005	2006	2007	2006	2009
21 Total Existing CIAC	\$8,602,767		874 581	735 204	2 219 403	2 291 535	2 370 159	2 455 859	2.557.143	3,264,963	2.031.602	1.995.074

21	Total Existing CIAC	\$8,802,767											
22	Total New CIAC		-	674,581	735,294	2,219,403	2,291,535	2,370,159	2,455,859	2,557,143	3,264,963	2,031,602	1,995,074
23	Total Accumulated CIAC - Sever	\$8,602,767	\$8,602,767	\$9,277,345	\$10,012,642	\$12,232,045	\$14,523,579	\$16,893,739	\$19,349,596	\$21,906,741	\$25,171,704	\$27,203,505	\$29,198,579
	CIAC Amortization										enen 448	\$262,145	\$262,148
	Total Existing CIAC Annual Amortization		\$262,148	\$262,148	\$262,148	\$262,145	\$262,148	\$262,148	\$262,146	\$262,148	\$282,148		
25	Total New CIAC Annual Amortization		-	9,702	21,150	63,838	65,913	68,175	70,640	73,553	93,912	58,442	57,386
26	Total CIAC Annual Amortization - Sewer		\$282,148	\$271,850	\$263,296	\$325,986	\$328,061	\$330,322	\$332,787	\$335,701	\$356,080	\$320,590	\$319,534
27	Accumulated CIAC Amertization	\$1, 936,23 7	\$2,198,385	\$2,470,234	\$2,753,532	\$3,078,518	\$3,407,578	\$3,737,991	\$4,070,600	\$4,406,389	\$4,782,459	\$5,083,040	\$5,482,573
	Total Water & Sewer												
28	Total Existing CIAC Annual Amortization - Water & Sever		\$405,461	\$405,461	\$405,461	\$405,481	\$405,461	\$405,481	\$405,461	\$405,461	\$405,461	\$405,461	\$405,461
29	Total New CIAC Annual Amortization - Water & Sewer		-	12,806	27,922	83,748	56,487	89,473	92,727	96,549	123,090	76,262	74,867
	Total CIAC Annual Amortization - Water & Sewer		\$405,461	\$418,259	\$433,383	\$489,208	\$491,948	\$494,933	\$498,188	\$502,010	\$528,550	\$451,722	\$460,327

SOURCE: BURTON & ASSOCIATES CADATAN2PROLATESTRI-19 AMES12 WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM RATE BASE

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

		1992	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
1	Water Percent Contributed	84%	64%	67%	45%	60%	55%	60%	65%	58%	61%	64%
2	Utility Plant in Service	\$6,462,609	\$8,232,305	\$8,417,276	\$12,884,820	\$13,446,758	\$14,028,476	\$14.631.752	\$15,259,847	\$18,584,262	\$19,070,963	\$19,548,426
3	Include Construction Work in Progress? NO		0	0	0	0	0	0	0	0	0	0
4	Less: Accumulated Depreciation	(1,817,752)	(2,031,302)	(2,276,179)	(2,592,679)	(2.972,362)	(3,352,536)	(3,733,244)	(4,114,567)	(4,541,065)	(4,956,207)	(5,370,875)
- 5	Utility Plant In Service less Accum Depr.	\$4,644,857	\$6,201,004	\$6,141,098	\$10,292,141	\$10,474,396	\$10,675,940	\$10,898,508	\$11,145,281	\$14,043,197	514 114 756	si4 177,551
6	Less: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,157)	(6,354,139)	(7,115,714)	(7,904,094)	(8,721,692)	(9,572,926)	(10.652.954)	(11.312.563)	(11,959,650)
7	Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1,518,522	1,681,745 +	1,845,631	2,010,242	2,175,642	2,341,951	2,514,441	2,675,573	2,836,367
8	Net Utility Plant In Service	\$730,386	\$2,202,968	\$2,042,463	\$5,619,746	\$5,204,313	\$4,782,088	\$4,352,450	\$3,914,306	\$5,904,683	\$5,477,767	\$5,054,269
	Plus or Minus:									• •		
10	Acquisition Adjustments	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303
11	Accumulated Amort of Acq Adjustments	(77,263)	(81,946)	(86,629)	(91,312)	(95,995)	(100,678)	(105,361)	(110,044)	(114,727)	(119,410)	(124,093)
12	Working Capital Allowance 12.50% of O&M	93,517	96,322	99,261	104,133	108,923	113,667	118,392	123,129	128,528	132,486	136,404
13	Other	0	0	0	0	0	0	0	0	0	0	· 0
14	Net Utility Plant in Service	\$933,943	\$2,404,647	\$2,242,398	\$5,819,871	\$5,404,545	\$4,982,380	\$4,652,783	\$4,114,895	\$6,105,787	\$5,678,145	\$5,253,882
15	U&U Percentage	100.00%	61.81%	65.12%	69.55%	76.50%	83.74%	91.27%	99.20%	93.92%	89.79%	93.98%
16	Rete Bese	\$933,943	\$1,486,332	\$1,460,225	\$4,047,554	\$4,134,608	\$4,172,055	\$4,155,493	\$4,081,826	\$5,734,842	\$5,098,638	\$4,937,532

17	Sewer: Percent Contributed	58%	60%	64%	43%	51%	58%	64%	70%	62%	66%	70%
18	Utility Plant in Service	\$14,298,201	\$15,062,017	\$15,622,076	\$26,030,052	\$27,775,470	\$29,580,774	\$31,451,355	\$33,399,082	\$42,435,941	\$43,983,525	\$45,503,135
19	Include Construction Work in Progress? NO		0	0	0		ň	0	400,000,002 0			
20	Less: Accumulated Depreciation	(3,204,815)	(3,724,091)	(4,251,605)	(4.970.841)	(5,852,402)	(6,735,494)	(7,620,369)	(8,507,354)	(9,531,062)	(10,548,809)	(11,565,055)
21	Utility Plant in Service less Accum Depr.	\$11,093,386	\$11,337,926	\$11,370,470	\$21,059,211	\$21,923,068	\$22,845,281	\$23,830,966	\$24,891,728	\$32,904,879	\$33,434,716	\$33,938,080
22	Less: Accumulated CIAC	(8,602,767)	(9,277,348)	(10,012,642)	(12,232,045)	(14,523,579)	(16,893,739)	(19,349,598)	(21,906,741)	(25, 171, 704)	(27,203,505)	(29,198,579)
23	Piue: Amortization of CIAC	2,198,385	2,470,234	2,753,532	3,079,518	3,407,579	3,737,901	4,070,689	4,406,389	4,762,450	5.083.040	5,402,573
- 24	Net Utility Plant in Service	\$4,689,004	\$4,530,812	\$4,111,360	\$11,906,684	\$10,807,067	\$9,689,444	\$8,552,077	\$7,391,376	\$12,495,625	\$11,314,250	\$10,142,074
25	Plus or Minus:			•		• 10,001,001	40,000,	40,002,011	47,301,370	#12,480,020	a11,314,200	a10,142,074
26	Acquisition Adjustments	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854
27	Accumulated Amort of Acq Adjustments	(103,015)	(109,112)	(115,209)	(121,306)	(127,403)	(133,499)	(139,596)	(145,693)			
28	Working Capital Allowance 12.50% of O&M	149,389	186,558	193,877	208,865	222,754	235,933	248,648	261.092	(151,790) 275,254	(157,887)	(163,984)
29	Other	0	0	,			200,000	240,040	201,002	210,204	285,193	294,922
30	Net Utility Plant In Service	\$4, \$75,232	34, 852, 112	34,433,843	\$12.238.007	\$11.146.273	\$10,036,731	58.904.942	U	U	U	<u> </u>
31	•				\$12,238,V87	413,14 6, 274	\$10,030,731	38,304,96Z	\$7,750,629	\$12,002,043	\$11,686,410	\$10,514,806
32	U&U Percentage	100.00%	100.00%	100.00%	94.48%	100.00%	400.000	100.000				
33	Rate Base						100.00%	100.00%	100.00%	100.00%	95.48%	100.00%
		\$4,979,232	\$4,852,112	\$4,433,883	\$11,562,503	\$11,146,273	\$10,035,731	\$8,904,982	\$7,750,629	\$12,862,943	\$11,157,363	\$10,516,866

SOURCE: BURTON & ASSOCIATES C:/DATA/123VC/ATESTIM~1/FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>UTILITY PLANT IN SERVICE - WATER & SEWER</u>

Water

		Estimated Original Cost	in Svc Dite	1998	1999	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
12345678	New Assets per CIP: Water Plant- East Svc Area 8" PVC Well Header 16" PVC Water Mein 750 GPM Supply Wells 12" PVC Well Header 2.0 MS Reservoir w Aerator Pumping Station #1 Complete 12" PVC Water Mein	\$1,500,000 24,000 380,000 225,000 30,000 702,000 1,400,000 380,000	2000 2002 2002 2002 2002 2002 2002 200			\$1,500,000		\$24,000 380,000 225,000 30,000 700,000 1,400,000 380,000						÷	
9 10	Engineering & Contingency 2.0 MG Reservoir w. Aerator	804,750 700,000	2007					804,750					700,000		
11 12 13	Expand Pump Station #1 750 GPM Supply Wells 12" PVC Well Hander	600,000 225,000 30,000	2007										225,000 30,000		
14 15 18	16" PVC Well Header Engineering & Contingency 8" PVC Well Header	38,000 505,500 24,000	2007										36,000 505,500 24,000		
17 18	24" PVC Water Main Land	405,000) 2007			\$100,000							405,000		
19	Total Utility Plant in Service (not includin	g CIAC)		\$6,462,609	\$5,452,600	\$8,062,609	\$8,082,809	\$11,988,359	\$11,966,350	\$11,968,359	\$11,060,350	\$11,985,359	\$14,013,859	\$14,013,809	\$14,513,659

New Plant Assets per CIAC: 20 New Plant Assets (CIAC)		\$0	\$169,697	\$184,970	\$543,793	\$561,939	\$581,717	\$603,276	\$628,095	\$795,915	\$486,701	\$477,482
21 Yotal New Plant Assets (CIAC)	\$0	\$0	\$100,007	\$354,667	\$895,461	\$1,460,399	\$2,042,117	\$2,645,303	\$3,273,468	\$4,070,403	\$4,657,104	\$5,034,567
22 Total Water Utility Plant in Sarvice	\$8,482,809	\$6,482,809	\$8,232,306	\$8,417,276	\$12,884,820	\$13,446,756	\$14,028,476	\$14,631,752	\$15,259,847	\$18,584,262	\$19,070,963	\$19,548,420

Sewer:

30

		Estimated Original Cost	i In Svc Date	1298	1998	2000	2001	2002	2003	2004	2005	2005	2007	2006	2009
	New Assets per CIP:								_						
23	WWTP Improvement East Svo Area	\$3,343,962	1999		\$3,343,962										
24	Master Life Station # 1	200,000	2002		· · ·			200000							
25	16" PVC Force Main	456,000						456000							
26	8" PVC Force Main	406,000						408000							
27	1.0 MGD WW/TP	5,500,000						5500000							
25	16" PVC Outtal/Xier (50% Cost)	360,000						360000							
29	Engineering & Contingency	1,793,500						1793500							
30	1.0 MGD WW/TP Expansion	6,000,000						1140000					\$5,000,000		
31	12" PVC Force Main	240,000											240,000		
32	Engineering & Contingency	1,310,000											1.310.000		
33	Land	250,000				\$250,000							1,010,000		
34	Total Utility Plant in Service (not including		2000	\$10,954,239	\$14,298,201		\$14,548,201	\$23,265,701	\$23,265,701	523,266,701	\$23,265,701	\$23,266,701	\$29,815,701	\$29,815,701	\$29,815,701
•••	ine only inter stands but have a	,		410,001,200	•••••••••••••••••••••••••••••••••••••••	# 19,090,001	414,040,001	474,946,101	********	****	424,244, 1 C I	424,200(r 0)	44444444	desta tate a l	
	New Plant Access per CIAC:														
35	Many Diard Annual (CIAC)				80	AC13 41A	8580.060	44 ADD 478	84 748 448	E1 and the	64 8YA 664	81 047 797	434 841 69	\$1 847 K84	64 610 810

35			\$0	\$513,816	\$560,059	\$1,690,476	\$1,745,418	\$1,805,305	\$1,870,581	\$1,947,727	\$2,485,859	\$1,547,554	\$1,519,610	
36	Total New Plant Assets (CIAC)	\$0	\$0	\$513,816	\$1,073,875	\$2,764,351	\$4,509,769	\$6,315,073	\$8,185,654	\$10,133,381	\$12,620,240	\$14,167,824	\$15,667,434	

\$10,054,238 \$14,298,201 \$15,052,017 \$15,522,076 \$26,030,052 \$27,775,470 \$29,580,774 \$31,451,355 \$33,399,082 \$42,435,941 \$43,983,525 \$45,503,135

37 Total Sewer Utility Plant in Service

SOURCE: BURTON & ASSOCIATES C1DATA112NOLATESTIM-11FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

Scenarjo 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

	AMOUNT																
	BET	W	E TO CON	-	APPET	CAPACITY											
PROJECT TUTAL	PROJECT I	anne par	IL STRUCT	-		(1996)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	2009
Mater																	
\$1,500,800	\$1,500,000 Water Plant- East S				26	1.93		1,500,000									
24,000	24,000 8" PVC Well Header			100%	45					24,000							
380,000	380,000 16" PVC Water Mai			100%	45					380,000							
225,000	225,000 750 GPM Supply W			100%	30					225,000							
20,000	so,000 12" PVC Well Heed			100%	45					30,000							
798,000	700,000 2.0 MG Reservoir w		12 24	100%	40	1.00				700,000							
1,408,000	1,400,000 Pumping Station #1		2 24	100%	25					1,400,000							
300,000	360,000 12" PVC Water Mei			100%	45					360,000							
804,750	804,750 Engineering & Conti			100%	- 30					804,750							
700,000	700,000 2.0 MG Reservoir w	Aerator 20	07 24	100%	40	1.00									700,000		
600,000	600,000 Expand Pump Static	n#1 20	07 24	100%	20										600,000		
225,400	225,000 750 GPM Supply W	is 20	07 24	100%	30										225,000		
30,000	30,000 12" PVC Well Head	ar 20	7 24	100%	45										30,000		
28,000	38,000 16" PVC Well Head		07 24	100%	45	····									38,000		
505,500	505,500 Engineering & Conti	ngency 20	07 24	100%	30										505,500		
24,000	24,000 8" PVC Weil Heads	20	07 24	100%	45										24,000		
405,090	405,000 24" PVC Water Mai	n 20	07 24	100%	45										405,000)	
100,000	100,000 Land	20	00	100%				100,000									
\$8,051,250	\$8,051,250							1,006,000		\$3,523,750					8 92,027,000) \$6	i 🌹

11	654.4														
	\$3,343,962	\$3,343,962 WWTP Improvement East Svc Are			00%	22	0.70	3,343,962							
	200,009	200,000 Master Lift Station #1	2002		00%	21				200,000					
	466,000	456,009 16" PVC Force Main	2002		00%	30				456,000					
	406,000	408,000 8" PVC Force Main	2002		00%	30				408,000					
-	5,500,800	\$,500,000 1.0 MGD WWTP	2002		00%	26	1.00			 5,500,000					
	200,000	360,000 16" PVC Outfail/Xier (50% Cost)	2002		00%	30				 360,000					
	1,793,900	1,793,500 Engineering & Contingency	2002		00%	30				 1,793,500					
	5,000,000	5,000,000 1.0 MGD WWTP Expension	2007		00%	26	1.00			 				5,000,000	
	240,009	240,000 12" PVC Force Main	2007		00%	30				 				240,000	
	1,310,000	1,310,000 Engineering & Contingency	2007		00%	30				 				1,310,000	
-	250,000	250,000 Land	2000		00%				250,000	 					
	0	o Renewal & Replacement	2000		00%										
		0 Renewel & Replacement	2001		00%										
	0	9 Renewel & Replacement	2002		00%	30									
	0	o Renewel & Replacement	2003		00%	30				 					
	•	0 Renewal & Replacement	2004		00%	30				 					
		0 Renewel & Replacement	2005		00%	30 30				 					
۰		o Renewel & Replacement	2005		00%	30				 					
		o Renewal & Replacement	2007 2008			- 30				 					
	_	0 Renewel & Replacement			00%	30				 					
-	9	0 Renewel & Replacement	2009	1	00%	30			\$256,590					50 50,500,000	 _
	TAL MATER							1,141,002	\$2 39,09 0	 \$8,717,580		-0		** *********	
	26,612,712	20,912,712 TOTAL WATER AND SEWER						1,141,162	\$1,858,860	 \$12,641,250	-		90	\$6 \$8,077,966	

BOURCE BURTON & ABBOCIATES / PESSA

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM USED AND USEFUL

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

		<u>1999</u>	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
1	Water											
2	Capacity											
3	Capacity in ERC's	5,057	5,057	10,571	10,571	13,429	13,429	13,429	13,429	13,429	16,286	16,286
4	Additional Capacity in ERC's	0	5,514	0	2,857	0	0	0	0	2,857	0	0
5	Total Capacity	5,057	10,571	10,571	13,429	13,429	13,429	13,429	13,429	16,286	16,286	16,286
6	Connection / Growth											
7	Connections in ERC's	5,506	5,506	5,763	6,043	6,867	7,719	8,600	9,514	10,466	11,674	12,411
8	Annual Growth Percent	0.00%	4.67%	4.86%	13.64%	12.40%	11.42%	10.63%	10.00%	11.54%	6.32%	5.83%
9	Additional Units	0	257	280	824	852	881	914	952	1,208	738	724
10	Total Connections	5,506	5,763	6,043	6,867	7,719	8,600	9,514	10,466	11,674	12,411	13,135
11	Raw U & U Percent	108.87%	54.51%	57.16%	51.14%	57.48%	64.04%	70.85%	77.94%	71,68%	76.21%	80.65%
12	PLUS: Margin Reserve 👩 🛛 36 Mos.	0	771	841	2,472	2,555	2,644	2,742	2,855	3,623	2,213	2,171
13	Total Connections plus Margin Reserve	5,508	6,534	6,884	9,339	10,273	11,245	12,257	13,321	15,296	14,624	15,305
14	U & U Percent	100.00%	61.81%	65.12%	69.55%	76.50%	83.74%	91.27%	99.20%	93.92%	89.79%	93.98%
15	SEWER:											
16	Capacity										10 500	40 500
17	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500
18	Additional Capacity in ERC's	2,500	0	0	3,571	0	0	0	0	3,571	•	12,500
19 20	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929	8,929	12,500	12,500	12,000
21	Connection / Growth											
22	Connections in ERC's	2,857	2,857	3,114	3,395	4,241	5,114	6,018	6,954	7,928	9,173	9,948
23	Annual Growth Percent	0.00%	9.00%	9.00%	24.92%	20.60%	17.67%	15.56%	14.02%	15.70%	8.44%	7.65%
24	Additional Units - Eastern Service Area	0	257	280	306	333	363	396	431	470	0	0
25	Additional Units - Western Service Area	0	0	0	541	<u>541</u>	541	541	544	775	775	761
26	Additional Units - Total	0	257	280	846	874	903	936	975	1,245	775	761
27	Imputed ERC's from 1998 Rate Case											
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357	5,357
29	Total Connections	5,357	5,357	5,357	5,898	6,438	6,979	7,519	8,063	8,837	9,612	10,372
30												
31	Raw U & U Percent	100.00%	100.00%	100.00%	66.05%	72.11%	78.16%	84.21%	90.30%	70.70%	76.89%	82.98%
32	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,538	2,621	2,710	2,806	2,924	3,734	2,324	2,282
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,436	8,929	8,929	8,929	8,929	12,500	11,935	12,500
34	U & U Percent	100.00%	100.00%	100.00%	94.48%	100.00%	100.00%	100.00%	100.00%	100.00%	95.48%	100.00%

SOURCE: BURTON & ASSOCIATES

C:\DATA\123\CUATESTIM~1\FAMS312.WK4

Figure 14 Page 1 of 6

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

						PY1	999				FY2	000		
Lender 1 First Union Bank	Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Balance	Principal	interest	(Salance	Cost of Cepital Calo	Beginning Balance	Principal	interest	Balance	Cost of Capital Calc
2 Plantation Developers - WTP				7.2/%	\$3,836,445	\$0	\$240,454	\$3,835,445	\$278,837	\$3,835,445	\$62,264	\$323.827	\$3,743,182	\$272.129
3 Plantation Developers- Unit 9	\$063,486		20	7.94%	585,864	19,385	48,914	567,479	45,058	567,479	20,843	45.450	546,636	43,403
4 Crossroade Land Ltd- Sesside Lt 2	94,651	12/23/94	20	7.94%	94,850	0	7,443	94,850	7,515	94.650	2,015	7,443	92,635	7,355
5 Crossroade Land Ltd- Saaside Ut 3	109,535		20	7.94%	100,002	2,857	* 7,989	97,145	7,713	97.145	3 179	7,766	93,986	* 7,461
6 TAW Nursery, Inc.	128,660		20	7.66%	121,143	3,257	9,331	117,888	9,030	117,880	3,493	9,095	114,393	8,762
7 BAT of Palm Valley - Tom West	112,847	12/23/94	20	7.94%	110,851	2,450	8,828	108,201	8,591	106,201	2,635	8,641	105,566	6,382
8 Odome Mill Ltd.	40,147	06/30/95	20	7.07%	38,007	1,053	2,702	38,954	2,613	36,954	1,123	2.632	35,831	2,533
9 Marsh Dunes	326,832		20	7.00%	324,938	4,409	22,733	320,469	22,433	320,469	8.051	22,358	312,417	21,869
	96,517	04/09/98	20	6.33%	96,517	0	6,110	96,517	6,110	96,517		6,110	98.517	6,110
10 Arvida- Sawniii Lakes (Offalta #1)	50,000	09/12/96	20	6.81%	50,000	Ó	3,405	50,000	3,405	50,000	Ň	3,405	50,000	3,405
11 Arvida- Sawmill Lakes (Offsite #2)	50,000	02/17/97	20	6.58%	50,000	Ō	3,289	50,000	3,290	50,000	š	3,408	50,000	
12 Arvida- Sawmill Lakes Ut 1	464,918	06/19/97	20	6.89%	450,792	11.661	31,225	439,131	30,256	439,131	12,419			3,290
13 Arvida- Sevenil Lakes Ut 2	190,030	09/06/97	20	6.77%	185,785	4,722	12,644	181,063	12,258			30,487	420,712	29,400
14 Equity	0			10.00%	0		12,011	101,003	,2,200	181,063	6,024	12,342	176,039	11,018
15 New Debil- In Service:				14.04 14	•	•	v	v	익	Q	0	0	a	C
10 1999	0		20	8.50%	~		•			-	_			
17 2000	1,877,750		20	8.50%	Ň	, i i i i i i i i i i i i i i i i i i i	, i i i i i i i i i i i i i i i i i i i	ų.	9	0	0	0	0	0
16 2001	0		20	6.50%	Ň	ž		0	0	1,877,750	48,364	122,054	1,829,366	118,910
19 2002	12,830,889		20	0.50%	Ň	, in the second s		0	9	Q	0	0	0	0
20 2003	D		20	6.50%	ž	, v	q	a	0	0	0	0	0	C
21 2004	ň		20	6.50%		, v	a	a	0	0	0	0	0	C
22 2005	õ		20	6.50%	v.	0	0	0	0	Q	0	Ċ	0	C
23 2005	å		20	6.50%	, v		a	a	0	Q	0	0	0	0
24 2007	9,213,663		20	6.50%	y y	ų	Q	0	0	0	0	Q	0	0
25 2008	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		20	6,50%	v.	0	a	Q	0	0	0	0	0	0
26 2009	· · ·		20	6.50%		a	q	Q.	0	0	0	0	0	0
27	J		20	0.00%	U	a	0	0	0	0	0	0	0	Ç
28 New Debt- Construction Work in Progress: 29 Include CWIP in WACC? NO	<u> </u>		20	7.50%			0	0	0	0		0	0	0
30 New Equity				40.00**								-	-	
31				10.00%				0	0				0	C
32 Weighted Average Cost of Capital					\$6,044,794	\$49,855	\$403,065	\$5,994,940	\$437,108 7.29%		\$199,411	\$604,884	\$7,673,279	\$544,928
									100.01					7.10%

SOURCE: BURTON & ASSOCIATES C:DATA(123)/CLATESTIM- IVFAMS312,WK4

Figure 14 Page 2 of 6

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

						_		FY2	201				FY 20	202		
			Orig Loan			_	Beginning				Cost of Capital	Beginning				cost of Capital
	Lender		Amount	Orig Loan Date	Term	Interest Rate	Balance	Principal	Interest	Balance	Calo	Balance	Principal	interest	Balance	Calc
1	First Union Bank					7.27%	\$3,743,182	\$103,552	\$320,849	\$3,630,630	\$264,601	\$3,639,630	\$114,201	\$310,199	\$3,525,429	\$256,299
2	Plantation Developers - WTP		\$663,486	01/01/95	20		548,636	22,560	43,739	524,076	41,612	524,076	24,418	41,881	499,859	39,673
3	Plantation Developers-Unit 9		94,651	12/23/94	20		92,635	2,181	7,277	90,454	7,162	90,454	2,361	7,097	88,094	6,995
- 4	Crossfords Land Ltd- Sesside Lt 2		109,535	12/23/94	20		93,966	3,441	7,504	90,525	7,188	90,525	3,724	7,221	86,801	6,892
5	Croseroads Land Ltd- Seaside Ut 3		128,650	03/28/95	20		114,393	3,770	8,818	110,622	8,474	110,622	4,070	8,519	106,553	8,162
. 8	TAW Nursery, inc.		112,847	12/23/94	24	7.94%	\$05,566	2,852	8,425	102,714	8,155	102,714	3,087	8,190	99,627	7,910
7	BAT of Paim Valley - Tom West		40,147	06/30/95	20		35,831	1,205	2,550	34,628	2,448	34,620	1,293	2,462	33,332	2,357
	Odome Mill Ltd.		326,832	09/25/95	20	7.00%	312,417	8,633	21,774	303,784	21,265	303,784	9,256	21,150	294,526	20,617
9	Mareh Dunes		98,517	04/09/96	20	8.33%	96,517	2,481	6,038	94,035	5,952	94,038	2,643	5,877	91,393	5,785
10	Arvida- Sawnill Lakes (Offeite #1)		50,000	09/12/96	20	0.81%	50,000	1,216	3,368	48,784	3,322	48,784	1,302	3,282	47,482	3,234
11	Arvida- Sawmill Lakes (Offeite #2)		50,000	02/17/97	20	0 6.58%	50,000	1,249	3,253	48,751	3,206	46,751	1,334	3,168	47,417	3,120
12	Arvida- Savmill Lakes Ut 1		454.918	05/19/97	20	5.89%	426,712	13,302	29,584	413,410	28,484	413,410	14,248	28,638	399,161	27,502
13	Arvide- Sawmil Lakes UL2		190,030	09/06/97	20	6.77%	176,039	6.376	11,991	170,664	11,554	170,664	5,750	11,616	164,914	11,165
14	Equity		0		-	10.00%	0	0	8	0	0	Ó	0	0	0	Ó
15	New Debt- In Service:		•				-	-	-	-	-	-	_	-	-	
18		1999			20	6.50%	٥	0	0	8	o	. 0	0	٥	0	0
17		2000	1.877,750		2		1,629,360	61,508	118,910	1,777.878	116,562	1,777,878	54,850	115,562	1,723,022	111.995
18		2001	0		2			0	0	0	0	0	0	0	0	0
19		2002	12,830,869		2		Ď	ő	ŏ	õ	ŏ	12,830,869	330,477	834,000	12,500,392	812,525
20		2003	,,,		2		õ	ō	õ	ŏ	õ	D	0	0	0	0
21		2004	ň		20		ň	ň	ň	ň	ě.	ō	ō	ŏ	ō	ā
22		2005			20		ň	ā	ŏ	ő	0	ŏ	ā	ō	õ	ō.
23		2006	ō		20		ň	ā	ŏ	ň	ō	ŏ	ō	ŏ	Ď	õ
24		2007	P,213,663		20		ň	ŏ	ō	ō	ō	ŏ	ň	ŏ	ō	ŏ
25		2008 +	0,210,000		2		ŏ	ŏ	ñ	ň	õ	ā	ō	ŏ	ŏ	õ
26		2009			2		ň	ň	ň	ň	ŏ		ň	ŏ	ō	ŏ
27			•				•	•	•	•		•	•	· ·	•	-
28	New Debt- Construction Work in Pro				2	0 7.50%			0	0	0			0	0	0
29		NO			-				•	•	•			•	•	-
30				1		10.00%				0	0				0	0
31			•			/0.00 A		\$223.325	\$594,060	\$7,449,953	\$529,007		\$573.020	\$1,408,858	\$19,707,602	\$1,324,232
	Malabiad Avenue Dest of D	a million I								**,***,***				+.,	+,	
32	Weighted Average Cost of Ci	Librari									7.10%					6.72%

SOURCE: BURTON & ASSOCIATES

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C:DATAX125VCLATESTIM-11FAM6312.WH4

Figure 14 Page 3 of 6)

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>Weighted Average Cost of Capital Analysis</u>

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

							FY2	003				FY2	1004		
	Lender First Union Bank	Orig Loen Amount	Orig Loan Date	Term	Interest Rate	Beginning Balance	Principal	Interest	Salance	Cost of Capital Calc	Beginning Belence	Principal	interest	Baience	Cost of Capital Calo
÷	Plantation Developers - WTP				7.27%	\$3,525,429	\$122,774	\$301,263	\$3,402,555	\$247,373	\$3,402,855	\$138,630	\$289,560	\$3,203,716	\$237,272
- 3	Plantation Developera- Unit 9	\$063,480		20	7.94%	499,659	26,429	39,870	473.230	37,574	473,230	28,605	37.894	444.625	36,303
- 1	Crossroads Land Ltd- Sesside Lt 2	94,851	12/23/94	20	7.04%	\$8,094	2,555	6,903	85,539	6,792	\$5,539	2,765	6,693	\$2,774	6,572
Ā	Croseroads Land Lid- Seaside Ut 3	109,538		20	7.04%	86,801	4,031	6,914	82,770	6,572	82,770	4,363	6.562	78,406	6,225
ě	TAW Nursery, Inc.	128,650		20	7.66%	106,553	4,392	8,195	102,160	7,825	102,160	4,741	7,847	97,419	7,462
ž	BAT of Paim Valley - Tom West	112,847		20	7.04%	99,627	3,341	7,935	90,287	7,645	98,287	3.816	7,000	82.671	7,358
	Odome Mil Ltd.	40,147		20	7.07%	33,332	1,388	2,368	31,944	2.258	31,944	1,489	2,266	30,455	2,153
	Marah Dunes	326,832		20	7.00%	294,526	9,927	20,480	284,600	19,922	284.600	10.844	19,763	273.955	19,177
10	Arvide- Savmil Lakes (Offeite #1)	96,517	04/09/98	20	8.33%	91,393	2,815	5,704	88.577	5,607	86.577	2,999	5,521	85.578	5,417
	Avide- Sevmil Lakes (Offeite #2)	50,000		20	8.81%	47,482	1,393	3,101	46,089	3,139	46,089	1,491	3,093	44.598	3,037
- 13	Avide-Savnil Lake Ut 1	50,000		20	6.58%	47,417	1,424	3.078	45,993	3.026	45,993	1.521	2,981	44.472	2,926
	Arvide- Several Lakes Ut 2	464,918		20	6.89%	399,161	15,262	27,625	383,900	28,451	383.000	18,347	25,539	367.553	
	Equity	190,030	09/08/97	20	6.77%	164,914	6,152	11,214	158,762	10,748	158,782	6,581	10,785	152,180	25,324
	New Debi- In Service:	0	l .		10.00%		Ó	0			100,702	0,061	10,760	182,180	10,303
10							•	•	•	"	•	v	v	0	a
10	1999	0	1	20	6.50%	0	0	Ô	0		•	•			
	2000	1,877,760	1	20	8.50%	1,723,022	58,421	1\$1,005	1,864,801	108,100	1,054,001	62,219	9	0	0
	2001	0	1	20	8.60%	0	0	0		100,100	1,004,001	94,419	108,199	1,002,382	104,155
	2002	12,830,889		20	8.50%	12,500,392	351,958	812,525	12,148,434	789,648	12,148,434	374,835	0		0
21	2003	0	1	20	6.50%	Ó	0	0			12,190,939	3/4,630	789,648	11,773,599	765,284
	2004	ç		20	8.50%	ō	ā	ň	Ň	ž	, in the second s	, v	, v	a	0
22	2005	0		20	6.50%	ŏ	ŏ	Ň	Ň		, v	0	0	0	0
23 24		0		20	6.50%	ō	ň	ň	Ň		, v	0	0	0	0
		9,213,663		20	6.50%	ŏ	ō	ŏ	Ň				0	Q	0
25		0		20	6.50%	ō	ŏ	ň	ň		ě	0	0	0	0
26	2009	a		20	6.50%	à	ŏ	ŏ	Ň		, in the second s	Ű	0	0	0
- 21						-	•	•	~	"	u	u	Q	0	0
29	New Debt- Construction Work in Progress:			20	7.50%			0	٥						
								•	•	٩			Q	0	0
30	New Equity	0			10.00%				٥	0				•	
	Weighted Average Cost of Costs						\$812,261	\$1,369,263	\$19,065,540	\$1,282,780		\$661,156	\$1,324,831	\$18,434,385	\$1,237,970
34	Weighted Average Cost of Capital									6.72%			- 1998 - 1999 I	+,,	
	SOURCE: BURTON & ASSOCIATES														6.72%

SOURCE: BURTON & ASSOCIATES C/DATA1129/CUATESTIM-TFAM6312.WK4

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Figure 14 Page 4 of 6

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>Weighted Average Cost of Capital Analysis</u>

Scenario 1 - Intercoestal Utilities Water and Sewer Rates w/ Intercoestal Capital Plan

						-		FY2	005				FY 2	00		
	Lender		Orig Loan Amount	Orig Loan Date	T	Informat Data	Beginning Belence	Principal	Interest	(Balance	Cost of Capital	Beginning Balance	Principal		C	Cost of Capital Calc
1	First Union Bank	· · · · ·	PERMAN	Ong Loan Dete	Term	7.27%	\$3,263,716	\$149.383	\$279.115	\$3,114,333	Calc \$226,412	53,114,333	\$160,613	s267.886	\$2,953,720	\$214,735
2	Plantation Developers - WTP		\$663,486	01/01/95	20		444,625	30,961	35,338	413.064	32,846	413,064	33,511	32,788	360,153	30,184
3	Plantation Developers- Unit 9		94.651	12/23/94	2		\$2,774	2,993	8,465	79,781	6,335	79.781	3,240	0.218	76.541	6,077
4	Croseroads Land Ltd- Sesside Ut 2	•	109.535	12/23/94	2		78,400	4,722	6,223	73,684	5,651	73.664	5,111	5,834	68,573	5,445
5	Croseroads Land Ltd- Seaside Ut 3		128.650	03/28/95	2		97,419	5,117	7.471	92,302	7.070	92,302	5,523	7,085	86,779	6,647
6	TAW Nursery, Inc.		112,847	12/23/94	2		92,671	3,914	7,363	84,757	7.047	88,757	4,236	7.040	84.521	6,711
7	BAT of Paim Valley - Tom West		40,147	05/30/95	20		30,455	1,598	2,158	28,657	2,040	28,857	1.715	2.041	27,143	1,919
8	Odome Mill Ltd.		325,832	09/25/95	20		273,955	11.414	18,993	262,541	18.378	262,541	12,239	18,168	250,302	17,521
9	Marsh Dunes		98,517	04/09/95	20		85,578	3,194	5,326	82,384	6,215	\$2,384	3,402	5.117	78,982	5,000
	Arvide- Sawmil Lakes (Offsite #1)		50,000	09/12/95	20	0.81%	44.598	1,596	2,988	43,003	2,928	43.003	1,706	2.876	41,295	2,812
11	Avvida- Sawmit Lakes (Offeite #2)		50,000	02/17/97	20	6.56%	44,472	1.624	2,878	42.848	2.819	42.848	1.734	2,766	41,114	2,705
12	Arvide- Savmil Lakes Ut 1		464,918	06/19/97	20		367,553	17,510	25,377	350,043	24,118	360,043	18,755	24,132	331,268	22,826
13	Arvide- Sevmil Lakes Ut 2		190,030	09/08/97	20	0.77%	152,180	7,041	10,325	145,130	9,425	145,139	7,533	9,433	137,608	9,316
14						10.00%	0	0	0	0	0	0	,	0	0	0
15	New Debt- In Service:						-	-	-	-	-	-	•	•	•	-
18		1999	0		20	0 8.50%	0	0	0	0	0	0	Ď	0	0	0
17		2000	1,877,750		20	0.50%	1,602,362	66,263	104,155	1,536,119	89,848	1,536,119	70,570	99,848	1,465,549	95,261
18		2001	0		20		0	0	0	0	0	D	Ó	0	0	0
19		2002	12,830,889		20		11,773,500	399,199	765,284	11 374 300	739,336	11,374,300	425,147	739.336	10.949.252	711.701
20		2003	C	r	20		0	0	0	0	0	0	0	0	0	0
21		2004	0	1	2		0	0	0	0	0	0	Ō	Ó	Ō	ō
- 22		2005	a		2		0	0	0	0	0	0	0	0	Ó	ġ
23		2005	Q		2		Q	0	0	0	0	0	0	0	0	0
24 25		2007	9,213,663		20		0	0	0	0	0	0	0	0	0	0
26		2008 *	0	1	20		0	0	0	0	0	0	0	0	0	0
27		2009	0	1	2	0 6.50%	0	0	a	0	0	Q	0	0	0	0
2/	New Debt- Construction Work in Pro															
29		NO NO			20	7.50%			0	0	0			a	0	0
30																
31	Lana Ednela					10.00%		<u> </u>		0	0				0	0
	Weighted Average Cost of C	apital						\$708,529	\$1,279,458	\$17,727,855	\$1,190,065 6.71%		\$755,037	\$1,230,950	\$16,972,819	\$1,138,861 6.71%

SOURCE: BURTON & ASSOCIATES

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C:DATA12SVCUATESTIM-1FAME312 WK4

Figure 14 Page 5 of 6

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

						-		FY2	007				FY2	006		
	Lender First Union Bank	· · · · · · · · · · · · · · · · · · ·	Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Balance	Principal	Interest	Sainnee	Cost of Capital Cals	Beginning Belance	Principal	interest	Balance	Cost of Capital Calo
2						7.27%	\$2,953,720	\$172,686	\$255,812	\$2,781,034	\$202,181	\$2,781,034	\$145,664	\$242.831	\$2,565,366	\$188,663
	Plentation Developers - WTP		\$663,466		20		380,153	36,270	30,029	343,883	27,304	343,883	39,257	27.042	304,626	24,187
	Plantation Developera- Unit 9		94,851	12/23/94	20		76,541	3,506	5,952	73,035	5,799	73.035	3,795	5,663	69.240	5,498
- 2	Croseroade Land Ltd- Seeside Ut 2		109,535	12/23/04	20		66,573	5,532	5,413	63,040	5.005	63,040	5,968	4,967	57,053	4,530
2	Croseroade Land Ltd- Sesside Ut 3		128,650		20		66,779	5,961	6.627	80,817	6,191	80,817	6,435	6,154	74,383	5,698
- 2	TAW Nursery, Inc.		112,847	12/23/94	20		84,521	4,585	8,691	79,938	8,347	79,836	4,983	6,314	74,973	5,953
	BAT of Pain Valley - Tom West		40,147	06/30/95	- 20	7.07%	27,143	1,840	1.916	25,303	1,789	25,303	1.974	1.781	23,329	1,649
	Odoms Mill Ltd.		326,832		20		250,302	13,124	17,283	237,179	18,803	237,179	14.072	16,335	223,106	15,617
	Marsh Dunes		96,517	04/09/95	20		78,962	3,624	4,896	75,368	4,770	75,358	3,800	4.659	71,497	4,528
10	Arvide- Sawmil Lakes (Offeite #1)		60,000		20	6.81%	41,295	1.828	2,756	39,467	2.668	39,467	1,956	2.627	37.511	2,554
11	Arvida- Sawmil Lakes (Offeite #2)		50,000	02/17/97	20		41,114	1.852	2,650	39,263	2,583	39,263	1,977	2.525	37,285	2,453
12	Arvide- Sawmil Lakes Ut 1		464,918	06/19/97	20	6.89%	331,288	20,069	22,798	311,200	21.442	311,200	21,517	21,309	259,683	19,959
13	Arvide- Sewmill Lakes Ut 2		190,030	09/08/97	2	6.77%	137,608	8.059	9.307	129,547	8,770	129,547	8.622	8,744	120,925	8,167
14			0	l .		10.00%	D	-,0	0			120,047	9,022	9,144	120,920	6,19/
15							•	-	•	•	* 1	Ŷ	v	ų	U	Ŷ
16	196		0	l .	20	6.50%	0	0	0	0	أم	•				
17	200		1,877,750	l .	20		1,465,549	76,157	95,261	1,390,392	90,375	1,390,392	80,042	90.376	0	
18	200		0	l .	2		0			1,000,000	0,010	1,300,302	e0,042	60,370	1,310,350	86,173
19	200		12,830,869	L. C.	2		10.949.252	462.782	711,701	10,498,470	662.271	10,496,470	482,213	682.271	10.014.257	650,927
20	200		0	l .	20	6.50%	0			.0,100,110	0004,211	10,400,470	444,213	004,471	10,014,207	660,927
21	200		0	1	20		ŏ	ň	ň	Ň	š.	ž	Ň	, v		
22			0	I	20		ā	ŏ	ň	Ň	š.		, v	ů.	0	0
23	200		0	I	20		õ	ň	ň	Ň	, i	ž	, v		0	9
24	200		P,213,863		2		9,213,663	237,311	598,888	8.976.352	563,463	8.976.352	252,736	583,463		0
25	200		0	l .	20		0		0	0,010,004	000,000	0,0/0,302	404,130	363,463	8,723,616	567,035
26	200	90	0	i i i i i i i i i i i i i i i i i i i	20		ă	ň	ŏ	ň	š	š	, in the second s	Ů,	U U	a
27							-	•	•	•	۳	v	v	v	U	0
28 29		NO			20	7.50%			0	0	0			0	0	o
30 31			0			10.00%				0	0				0	0
32	Weighted Average Cost of Capit	ai						\$1,044,206	\$1,777,979	\$25,142,275	\$1,667,581 \$.63%		\$1,115,075	\$1,707,110	\$24,027,199	\$1,592,629 6.63%

SOURCE: BURTON & ASSOCIATES C:DATA(12)NCLATESTIM- 1)FAMS312,WK4

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Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenerio 1 - Intercoestal Utilities Water and Sewer Rates w/ Intercoestal Capital Plan

					-		#Y2	200		
	Lender	Orig Loan Amount	Orig Loan Date	Term	Interest Rale	Beginning Balance	Principal	interest	Balance	Cost of Capita Calo
1	First Union Bank				7.27%	\$2,595,365	\$199,625	\$228,874	\$2,365,742	\$174,17
Ξ.	Plantation Developers - WTP	\$053,486		20	7.94%	304,626	42,490	23,809	262,135	20,81
3	Plantation Developers- Unit 9	94,651		20	7.94%	69.240	4,108	6,350	65,132	5.17
1	Croseroads Land Ltd- Seaside Lt 2	109,535	i 12/23/94	20	7.94%	67,053	6,481	4,464	50,572	4.01
5	Crossroads Land Ltd- Senside Ut 3	126,650	03/28/05	20		74,383	6,945	5.643	67,438	5,10
6	TAW Nursery, Inc.	112,847	12/23/04	20		74,973	5,371	5,905	69.602	5,52
7	BAT of Pain Valley - Tom West	40.147	06/30/95	20		23,329	2,118	1.637	21,211	
8	Odome Mil Ltd.	326,832		20		223,106	15,090	15,317	206.017	1,50
9	Marsh Dunes	96,517		20		71,497	4,112			14,56
10	Arvida- Savmil Lakes (Offeite #1)	50,000		20		37.511	2.094	4,406	67,385	4,20
11	Arvida- Sawmil Lakae (Offeita #2)	50,000		20				2,490	36,417	2,41
12	Arvida- Savmill Lakee Ut 1	464,918		20		37,285	2,111	2,390	35,174	2,31
13	Arvide- Savmill Lakes Ut 2	190.030		20		289,663	23,048	19,639	208,635	18,37
14	Equity	100,030		20		120,925	9,224	8,142	111,701	7,56
15	New Debi- in Service:	v	•		10.00%	0	0	0	0	
18	1999	0	1	20	6.50%	•		•		
17	2000	1.877.750		20	6.60%	1,310,360	86,246	0 85,173		
18	2001			20		000,010,1	00,240	40,1/3	1,225,105	79,63
10	2002	12,830,869	1	20		10.014.257	513,557	650,927	U 4 4 9 9 7 9 9	
20	2003	0		20		10,014,207	513,007	000,927	9,500,700	617,54
21	2004			20			v	u u	0	
22 23	2005			20		, v	0	0	0	
23	2006			20		0	q	<u>o</u>	0	
24	2007	9,213,663		20		0	D	0	0	1
25	2008	w, z 1 3,003				8,723,616	269,164	567,035	8,454,452	549,53
26	2009	, in the second s		20		q	Q	Ö	0	
27	2000	u		20	8.50%	0	0	0	0	
28	New Debi- Construction Work in Progress:									
29	Include CWIP in WACC? NO	1		20	7.50%			0	0	
30	New Equity	, , , , , , , , , , , , , , , , , , ,			10.00%				_	
31					10.00%				0	(
32	Weighted Average Cost of Capital						\$1,190,782	\$1,631,404	\$22,836,418	\$1,512,56

SOURCE: BURTON & ASSOCIATES C10ATA1129VCIATESTIM-19FAM5312.WK4

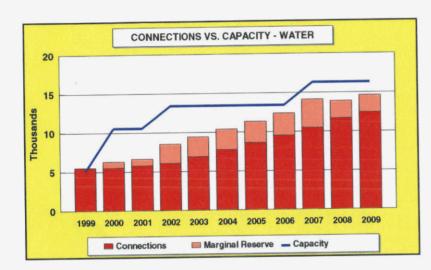
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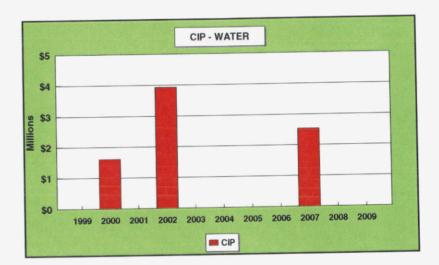
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INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

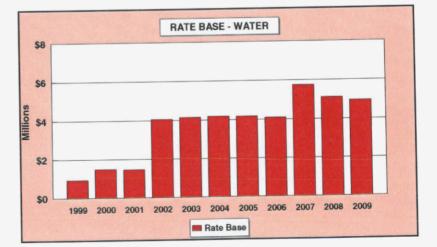
Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan





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SOURCE: BURTON & ASSOCIATES C:/DATA\123VCU\TESTIM-1\FAMS312 WK4

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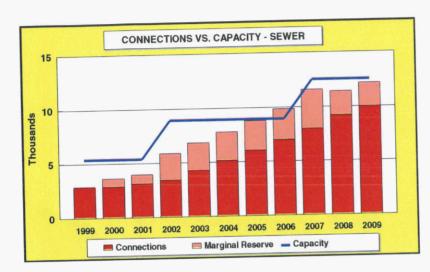
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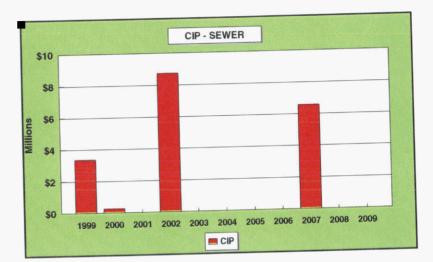
INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

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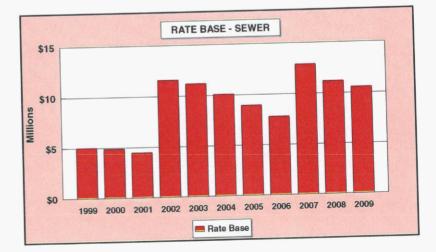




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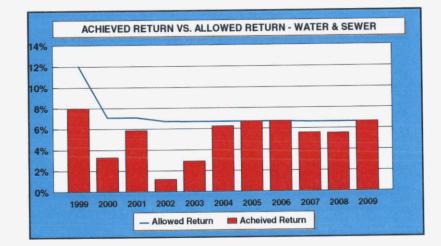


SOURCE: BURTON & ASSOCIATES C/DATA/123/CU/TESTIM-1/FAMS312.WK4

INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 1 - Intercoastal Utilities Water and Sewer Rates w/ Intercoastal Capital Plan

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Appendix 2

INTERCOASTAL UTILITIES

BURTON & ASSOCIATES

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Scenario 2

Intercoastal "Standing in NUC's Shoes"

This scenario analyzes the impact upon customer's rates of Intercoastal Utilities implementing NUC's plan to meet the water and sewer demands of the projected growth in the area for which Intercoastal's service area extension application is filed assuming NUC's capital plan and plan for wholesale water and wastewater service from the JEA.

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INTERCOASTAL UTILITIES

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Average Monthly Cost per ERC assumes 5,333 Gallons per Month Average Water Usage per ERC

1	Water	1999	2000	2001	<u>2002</u>	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%				STATE AND STATE
3	Achieved Return	12.47%	4.64%	5.13%	-6.22%	-2.40%	2.37%	6.91%	STORE STORE		WARDARD I S	
4	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%	The support			
5	Avg Mo.Cost / ERC	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.66	\$11.54				
6	Achieved Return (Millions)	\$0.116	\$0.066	\$0.072	(\$0.110)	(\$0.042)	\$0.040	\$0.109				
7	Allowed Return (Millions)	\$0.112	\$0.102	\$0.099	\$0.122	\$0.120	\$0.116	\$0.109				
8	Rate Base (Millions)	\$0.934	\$1.425	\$1.395	\$1.762	\$1.735	\$1.672	\$1.570				
9	<u>Sewer</u>											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	-2.2%	-14.9%	-11.9%				
11	Achieved Return	7.13%	3.19%	6.65%	5.23%	10.34%	8.83%	6.91%		Constant of the second	Section and a	and the second
12	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				In the second
13	Avg Mo.Cost / ERC	\$42.98	\$42.98	\$42.98	\$42.98	\$42.03	\$35.77	\$31.53		1		
14	Achieved Return (Millions)	\$0.355	\$0.147	\$0.278	\$0.274	\$0.484	\$0.336	\$0.201				
15	Allowed Return (Millions)	\$0.600	\$0.328	\$0.298	\$0.362	\$0.324	\$0.263	\$0.201				
16	Rate Base (Millions)	\$4.979	\$4.602	\$4.184	\$5.234	\$4.681	\$3.803	\$2.906				
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	-1.7%	-11.7%	-9.2%				
19	Achieved Return	7.97%	3.53%	6.27%	2.34%	6.90%	6.86%	6.91%		Contraction of the		
20	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				
21	Avg Mo.Cost / ERC	\$54.64	\$54.64	\$54.64	\$54.64	\$53.69	\$47.43	\$43.07				
22	Achieved Return (Millions)	\$0.471	\$0.213	\$0.350	\$0.164	\$0.443	\$0.376	\$0.309				
23	Allowed Return (Millions)	\$0.712	\$0.430	\$0.398	\$0.484	\$0.444	\$0.379	\$0.309				
24	Rate Base (Millions)	\$5.913	\$6.027	\$5.579	\$6.996	\$6.416	\$5.476	\$4.475				

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~1\FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM SUMMARY

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Average Monthly Cost per ERC assumes 10,000 Gallons per Month Average Water Usage per ERC

1	<u>Water</u>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%				
3	Achieved Return	12.47%	4.64%	5.13%	-6.22%	-2.40%	2.37%	6.91%				
4	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%	Silvara Pris	State of the second	In subset Street I	and the second
5	Avg Mo.Cost / ERC	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.81	\$15.65				
6	Achieved Return (Millions)	\$0.116	\$0.066	\$0.072	(\$0.110)	(\$0.042)	\$0.040	\$0.109				
7	Allowed Return (Millions)	\$0.112	\$0.102	\$0.099	\$0.122	\$0.120	\$0.116	\$0.109				
8	Rate Base (Millions)	\$0.934	\$1.425	\$1.395	\$1.762	\$1.735	\$1.672	\$1.570				
9	Sewer											
10	Rate Plan	0.0%	0.0%	0.0%	0.0%	-2.2%	-14.9%	-11.9%				
11	Achieved Return	7.13%	3.19%	6.65%	5.23%	10.34%	8.83%	6.91%	States and		STREET, STREET, ST	
12	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%				
13	Avg Mo.Cost / ERC	\$63.89	\$63.89	\$63.89	\$63.89	\$62.48	\$53.17	\$46.86				
14	Achieved Return (Millions)	\$0.355	\$0.147	\$0.278	\$0.274	\$0.484	\$0.336	\$0.201				
15	Allowed Return (Millions)	\$0.600	\$0.328	\$0.298	\$0.362	\$0.324	\$0.263	\$0.201				
16	Rate Base (Millions)	\$4.979	\$4.602	\$4.184	\$5.234	\$4.681	\$3.803	\$2.906				
17	Water & Sewer											
18	Rate Effect	NA	0.0%	0.0%	0.0%	-1.8%	-11.9%	-9.4%				
19	Achieved Return	7.97%	3.53%	6.27%	2.34%	6.90%	6.86%	6.91%		STREET, STREET, ST	CONTRACTOR OF	and Constants
20	Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.91%	The south Barrie		Property and	Concept House
21	Avg Mo.Cost / ERC	\$79.70	\$79.70	\$79.70	\$79.70	\$78.29	\$68.98	\$62.52				
22	Achieved Return (Millions)	\$0.471	\$0.213	\$0.350	\$0.164	\$0.443	\$0.376	\$0.309				
23	Allowed Return (Millions)	\$0.712	\$0.430	\$0.398	\$0.484	\$0.444	\$0.379	\$0.309				
24	Rate Base (Millions)	\$5.913	\$6.027	\$5.579	\$6.996	\$6.416	\$5.476	\$4.475				

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM ASSUMPTIONS

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Assumptions 1682 1682 2001 2002 2003 2004 2005			Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
1 Capacity in ERC's 5,057 5,057 10,571 10,271 10,274 10,280 16,286 3 Total Capacity in ERC's 5,057 10,371 10,371 10,371 10,271 10,281 16,286 16,286 3 Total Capacity in ERC's 5,057 5,057 10,371 10,571 10,571 10,571 10,571 10,571 16,286		Assumptions	<u>1998</u>	<u>1999</u>	2000	<u>2001</u>	2002	2003	2004	2005	2006	2007	2008	2009
2 Additional Capacity DERC's 0 5,714 0 0 0 Total Capacity 5,057 5,057 10,577 10,574 10,284 12,286 12,286 350 350 4 GPO = 1 ERC 350 350 350 550 350 350 350 6 Additional Connected ERC's 5,066 5,068 5,763 6,043 6,867 7,719 8,800 6 March Harbour 0 0 0 14 14 14 14 10 East Sxc Aras 0 257 280 834 852 851 914 12 Total Additional Connected ERC's 0.00% 0.00% 13,04% 12,20% 3,33 3,36 14 Percent of Growth Applied to Expenses 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25	4		5.057	6.057	5 057	10 571	10 571	16 298	18 798	18 288				
3 Total Capacity 5.057 5.057 10.571 10.571 16.288 16.288 16.288 4 GPD = 1 ERC 350 350 350 350 350 350 350 5 Connected ERC's 5,506 5,506 5,506 6,433 6,867 7,719 8,600 7 Wates Chase 0 0 0 414 14 14 9 Marsh Harbour 0 0 14 14 14 14 9 Nocates 0 0 257 280 303 353 386 11 Total Additional Connected ERC's 0 0 257 280 834 852 881 914 176al Connected ERC's 5.006 5.005 5.763 6.043 8.887 7.719 8.800 9.514 176al Connected ERC's 0.00% 4.00% 13.0% 12.0% 14.0% 10.63% 16.50% 176al Connected ERC's 0.00% 2.50% 25.00% 25.00% 25.00% 25.00% 25.00% 2.50% <td>5</td> <td></td> <td>3,007</td> <td></td>	5		3,007											
4 GPD = 1 ERC 350			5 (57											
5 Connected ERC's 5,508 5,508 5,783 6,043 6,867 7,719 8,800 6 Additional Connected ERC's 0 0 0 89 89 89 80 8 Marsh Harbour 0 0 0 14 14 14 14 14 10 Last, Sx Ares 0 0 0 14 14 14 14 14 11 Total Additional Connected ERC's 0 0 257 280 324 852 881 914 12 Total Additional Connected ERC's 0.00% 4.67% 4.80% 13.64% 12.40% 11.42% 10.83% 14 Percent Growth Applied to Expenses 25.00%	-													
6 Additional Connected ERC's 0 0 0 0 14 14 14 14 10 East Svc Aras 0 0 0 16 416 416 416 10 East Svc Aras 0 257 280 306 333 383 306 11 Total Additional Connected ERC's 0 0.257 280 824 852 881 914 12 Total Connected ERC's 0.00% 4.67% 4.86% 13.04% 12.40% 11.42% 10.05% 13 Percent Growth In Connected ERC's 0.00% 0.00% 25.00% <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>														
7 Walden Chase 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 14 16 <th17< th=""> <th17< th=""> <th17< th=""></th17<></th17<></th17<>			0,000	0,000	0,000	0,700	0,040	0,007		0,000				
8 Marsh Harbour 0 0 0 14 14 14 14 9 Nocates 0 0 0 146 416 416 10 East Svc Aras 0 257 280 303 383 386 11 Total Additional Connected ERC's 0 0 257 280 824 882 881 914 12 Total Connected ERC's 5,006 5,006 5,006 25,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% 26,00% <td>-</td> <td></td> <td></td> <td>n</td> <td>0</td> <td>n</td> <td>89</td> <td>89</td> <td>AQ</td> <td>80</td> <td></td> <td></td> <td></td> <td></td>	-			n	0	n	89	89	AQ	80				
0 0 0 0 0 0 0 16 416 416 416 416 10 East Sec Ares 0 257 280 833 393 306 11 Total Additional Connected ERC's 0 0 257 280 824 852 881 914 12 Total Connected ERC's 0.00% 5,008 5,783 6,043 6,897 7,719 8,800 9,514 12 Percent Growth Applied to Expenses 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 1,50%<	•			ő										
10 East Sv: Aras 0 257 280 306 333 363 306 11 Total Additional Connected ERC's 0 0 257 280 824 852 881 914 13 Percent Growth In Connected ERC's 0.00% 0.00% 4.87% 4.80% 13.84% 12.40% 11.42% 10.83% 14 Percent Growth In Connected ERC's 0.00% 0.00% 25.00% </td <td></td> <td></td> <td></td> <td>ŏ</td> <td></td>				ŏ										
11 Total Additional Connected ERC's 0 0 257 280 852 881 914 12 Total Connected ERC's 5,508 5,508 5,763 6,043 6,877 7,719 8,800 9,514 13 Percent Growth In Connected ERC's 0,00% 4,07% 4,87% 4,80% 12,40% 11,42% 10,03% 14 Percent of Growth Applied to Expenses 25,00% <t< td=""><td></td><td></td><td></td><td>ō</td><td>257</td><td>280</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>				ō	257	280								
12 Total Connected ERC's 5,508 5,763 6,643 6,867 7,719 8,800 9,514 13 Percent Growth in Connected ERC's 0,00% 0,00% 4,67% 4,80% 13,44% 12,40% 11,42% 10,03% 14 Percent of Growth Applied to Expenses 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 25,00% 1,50%		Total Additional Connected ERC's	0	ŏ					881	914				
13 Percent Growth in Connected ERC's 0.00% 0.00% 25.00%	12	Total Connected ERC's	5,506	5.506	5,763	6.043	6,867	7,719	8,600	9.514				
15 Effective Multiplier for Growth 0.00% 0.00% 1.17% 1.22% 3.41% 3.10% 2.86% 2.66% 18 Inflationary Multiplier 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 17 Growth and Inflationary Multiplier 1.50% 1.50% 2.72% 4.91% 4.80% 4.38% 4.18% 18 Sawar Capacity in ERC's 2.857 5.357 5.357 5.357 5.357 8.929 8.929 8.929 20 Additional Capacity in ERC's 2.857 2.857 5.357 5.357 5.357 8.929 8.929 8.929 21 Total Capacity 2.857 2.857 2.857 3.114 3.395 4.241 5.114 6.018 24 Additional Connected ERC's 2.857 2.857 3.114 3.395 4.241 5.114 6.018 25 Walden Chase 0 0 0 14 14 14 14 26 Marsh Harbour 0 0 0 438 438 438	13	Percent Growth in Connected ERC's							11,42%					
16 Inflationary Multiplier 1.50%	14	Percent of Growth Applied to Expenses								25.00%				
17 Growth and Inflationary Multiplier 1.50% 1.50% 2.87% 2.72% 4.91% 4.80% 4.38% 4.18% 18 Sawar Capacity in ERC's 2.857 2.857 5.357 5.357 5.957 8.929 8.929 8.929 24 Orbal Capacity in ERC's 2.857 5.357 5.357 5.357 8.929 8.929 8.929 22 GPD = 1 ERC 280 <t< td=""><td>15</td><td>Effective Multiplier for Growth</td><td>0.00%</td><td>0.00%</td><td>1.17%</td><td>1.22%</td><td>3.41%</td><td>3.10%</td><td>2.86%</td><td>2.00%</td><td></td><td></td><td></td><td></td></t<>	15	Effective Multiplier for Growth	0.00%	0.00%	1.17%	1.22%	3.41%	3.10%	2.86%	2.00%				
18 Server 19 Capacity in ERC's 2,857 2,857 5,357 5,357 5,929 8,929 8,929 20 Additional Capacity in ERC's 2,857 5,357 5,357 5,357 8,929 8,929 8,929 21 Total Capacity 2,857 5,357 5,357 5,357 8,929 8,929 8,929 22 GPD = 1 ERC 280 <t< td=""><td>16</td><td></td><td></td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td>1.50%</td><td></td><td>1.50%</td><td>1.50%</td><td></td><td></td><td></td><td></td></t<>	16			1.50%	1.50%	1.50%	1.50%		1.50%	1.50%				
19 Capacity in ERC's 2,857 2,857 5,357 5,357 5,357 8,929 8,929 8,929 20 Additional Capacity in ERC's 2,857 5,357 5,357 5,357 5,357 8,929 8,929 8,929 21 Total Capacity in ERC's 2,857 5,357 5,357 5,357 8,629 8,629 8,629 22 GPD = 1 ERC 280 <td>17</td> <td>Growth and Inflationary Multiplier</td> <td>1.50%</td> <td>1.50%</td> <td>2.67%</td> <td>2.72%</td> <td>4,91%</td> <td>4.60%</td> <td>4.36%</td> <td>4.16%</td> <td></td> <td></td> <td></td> <td></td>	17	Growth and Inflationary Multiplier	1.50%	1.50%	2.67%	2.72%	4,91%	4.60%	4.36%	4.16%				
19 Capacity in ERC's 2,857 2,857 5,357 5,357 5,357 8,929 8,929 8,929 20 Additional Capacity in ERC's 2,857 5,357 5,357 5,357 5,357 8,929 8,929 8,929 21 Total Capacity in ERC's 2,857 5,357 5,357 5,357 8,629 8,629 8,629 22 GPD = 1 ERC 280 <td></td>														
19 Capacity in ERC's 2,857 2,857 5,357 5,357 5,357 8,929 8,929 8,929 20 Additional Capacity in ERC's 2,857 5,357 5,357 5,357 5,357 8,929 8,929 8,929 21 Total Capacity in ERC's 2,857 5,357 5,357 5,357 8,629 8,629 8,629 22 GPD = 1 ERC 280 <td>18</td> <td>Server</td> <td></td>	18	Server												
20 Additional Capacity in ERC's 2,500 0 0 3,571 0 0 0 21 Total Capacity 2,857 5,357 5,357 5,357 8,929 8,929 8,929 8,929 22 GPD = 1 ERC 280 28			2 857	2 857	5 357	5 357	5 357	8 929	8 929	8 929				
21 Total Capacity 2,857 5,357 5,357 5,357 5,929 8,929 8,929 22 GPD = 1 ERC 280 380 438 438 438 438 438 438 438 438 438 438 438 438 438 438 438 438 438 438														
22 GPD = 1 ERC 280 444 5114 6,018 444 44 44 16 16 16			2.857		5.357	5.357		8,929	8,929	8,929		· · ·		
23 Connected ERC's 2,857 2,857 2,857 3,114 3,395 4,241 5,114 6,018 24 Additional Connected ERC's 0 0 0 89 89 89 25 Walden Chase 0 0 0 14 14 14 27 Nocates 0 0 0 438 438 438 438 28 East Svc Area 0 257 280 306 333 396 29 Total Additional Connected ERC's 0 0 257 280 846 874 903 836 29 Total Additional Connected ERC's 0 257 280 846 874 903 836 30 Imputed ERC's from 1908 Rate Case 5,357 <t< td=""><td>22</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	22													
25 Walden Chase 0 0 0 89 89 89 89 26 Marsh Harbour 0 0 0 14 14 14 14 27 Nocatee 0 0 0 14 14 14 14 27 Nocatee 0 0 0 438 438 438 438 28 East Sxc Area 0 257 280 306 333 353 29 Total Additional Connected ERC's 0 0 257 280 848 874 903 836 30 Imputed ERC's from 1908 Rate Case 5,357		Connected ERC's												
26 Marsh Harbour 0 0 14 14 14 14 27 Nocatee 0 0 0 438 438 438 28 East Svc Area 0 257 280 306 333 363 29 Total Additional Connected ERC's 0 0 257 280 846 874 903 936 30 Impufed ERC's from 1908 Rate Case 5,357 5,357 5,357 5,357 5,357 5,357 31 Total Used & Useful ERC's 2,657 5,357 5,357 5,357 5,357 5,357 32 Percent Growth in Connected ERC's 0,00% 0,00% 25,00% 25,00% 25,00% 33 Percent of Growth Applied to Expenses 25,00% 25,00% 25,00% 25,00% 34 Effective Multiplier for Growth 0,00% 0,20% 2,25% 6,23% 5,15% 4,42% 3,86% 35 Inflationary Multiplier 1,50% 1,50% 1,50% 1,50% 1,50%	24	Additional Connected ERC's	-1											
27 Nocatee 0 0 0 438 438 438 438 28 East Svc Area 0 257 280 306 333 363 366 29 Total Additional Connected ERC's 0 0 257 280 306 333 363 366 29 Total Additional Connected ERC's 0 0 257 280 846 874 903 936 20 Imputed ERC's from 1968 Rate Case 5,357	25	Walden Chase		0	0	0	89	89	89	89				
28 East Svc Area 0 257 280 306 333 383 386 29 Total Additional Connected ERC's 0 0 257 280 848 874 903 936 30 Imputed ERC's from 1998 Rate Case 5,357	26	Marsh Harbour		0	Ó	Ó	54	14	14	14				
29 Total Additional Connected ERC's 0 0 257 280 846 874 903 938 30 Imputed ERC's from 1998 Rate Case 5,357 <	27	Nocatee		0	0	0	438	438	438	438				
30 Imputed ERC's from 1998 Rate Case 5,357 <	28	East Svc Area		0	257	280	306	333	363	396				
31 Total Used & Useful ERC's 2,857 5,357 5,357 5,357 5,357 5,898 6,438 8,979 7,519 32 Percent Growth in Connected ERC's 0.00% 0.00% 9,00% 24,92% 20,80% 17,87% 15,56% 33 Percent of Growth Applied to Expenses 25,00%			0	. 0	257	280		874	903	936				
32 Percent Growth In Connected ERC's 0.00% 0.00% 9.00% 24.92% 20.80% 17.67% 15.56% 33 Percent of Growth Applied to Expenses 25.00% 25.00% 25.00% 25.00% 25.00% 34 Effective Multiplier for Growth 0.00% 0.00% 2.25% 2.25% 4.23% 3.89% 35 Inflationary Multiplier 1.50% 1.50% 1.50% 1.50% 1.50%				5,357	5,357	5,357	5,357	5,357	5,357	5,357				
32 Percent Growth in Connected ERC's 0.00% 0.00% 9.00% 24.92% 20.00% 17.67% 15.58% 33 Percent of Growth Applied to Expenses 25.00%					5,357		5,898		6,979					
34 Effective Multiplier for Growth 0.00% 0.00% 2.25% 2.25% 5.15% 4.42% 3.89% 35 Inflationary Multiplier 1.50% 1.50% 1.50% 1.50% 1.50% 1.50%	32	Percent Growth in Connected ERC's	0.00%	0.00%	9.00%		24.92%	20.00%	17.67%	15.56%				
35 Inflationary Multiplier 1.50% 1.50% 1.50% 1.50% 1.50% 1.50%	33			25.00%	25.00%	25.00%	25.00%			25.00%				
	34	Effective Multiplier for Growth	0.00%	0.00%	2.25%	2.25%	6.23%	5.15%		3.80%				
36 Growth and Inflationary Multiplier 1.50% 1.50% 3.75% 3.75% 7.73% 6.65% 5.92% 5.39%							1.50%	1.50%	1.50%	1.50%				
	36	Growth and Inflationary Multiplier	1.50%	1.50%	3.75%	3.75%	7.73%	6.65%	5.92%	5.39%				

37 New Debt Assumptions

38		
39	Term	20
40	Issuance Costs	1.50%
41	Interest Rate	6.50%

42	<u>OGM Reserves</u> Water	Months	Percent of Annual O&M
43 44	Minimum Reserves Level	1.5	12.50%
45 46	<u>Sawer</u> Minimum Reserves Level	1.5	12.50%
47	Rates & Charges		
48	Current Service Availability Charge	\$234	\$625

SOURCE: BURTON & ASSOCIATES C:\DATA\123\CUATESTIM-1\FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>PRO-FORMA INCOME PROJECTIONS - WATER SYSTEM</u>

Scenario 2 - Intercoestal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

	Actual	Projected	Prejected	Projected	Projected	Projected	Projected	Projected	Prejected	Prejected	Projecter
Water	1929	2000	2001	2002	<u>2003</u>	2004	2005	2008	2007	2001	2008
Revenues:											
Rate Revenue:											
Rate Revenue	\$968,541	\$998,541	\$1,034,711	\$1,085,036	\$1,232,985	\$1,385,872	\$1,544,140				
Growth Percentage	NA	4.67%	4.86%	13.64%	12.40%	11.42%	10.63%				
Rate Revenue from Growth		46.170	50.325	147,950	152.887	158.258	164,133				
Rate Revenue Prior to Rate Adjustment	5968.541	\$1,054,711	\$1,085,036	\$1,232,066	\$1,385,872	\$1,544,140	\$1,708,273				
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.99%				
Percentage Rate increase	0.00%	0.00%	0.00%	0	0.00.0	0.000	(16,930)				
Rate Revenue from Rate Adjustment					\$1,385,872	\$1,544,140	\$1,691,336				
Total Rate Revenue	\$000,541	\$1,034,711	\$1,085,036	\$1,232,965	31,365,672	91,944,149.	\$1,0 91 ,330				
Other Revenue:											
Misc. Revenue	\$1,238	\$1,296	\$1,359	\$1,544	\$1,738	\$1,834	\$2,130				
Other Revenue	0	0	0	0	0	0_	0				
Total Other Revenue	\$1,238	\$1,296	\$1,350	\$1,544	\$1,736	\$1,934	\$2,139		-		
Total Revenues	\$966,779	\$1,036,007	\$1,086,395	\$1,234,530	\$1,367,608	\$1,546,074	\$1,803,475				
Expenses:											
Additional C&M - Western Svc Area	\$0	-	\$0	\$257,986	\$276.875	\$296,814	\$317,866				
Operating Expenses- Eastern Svc Area	\$748,138	\$770,539	\$794.001	\$832,978	\$871,294	\$909,239	\$947,040				
	area, isa	ALL NA	NA NA	NA	NA	NA	NA				
Rate Case Expense	ne.	46.562	48.627	55,444	62.364	66,480	76.110				
Franchise Fee- PSC	(20.00	46,562	159,461	154,724	100.002	198,017	216,243				
Depreciation (U & U Ant. Only)	182,603						(124,481)				
Amort of CIAC (U & U Amt Only)	(143,313)	(90,503)	(97,734)	(93,801)	(103,381)	(113,857)					
Amort of Acq Ad	4,683	4,683	4,683	4,583	4,683	4,083	4,663				
Total Expenses	\$792,110	\$863,278	\$909,236	\$1,212,254	\$1,292,437	\$1,364,563	\$1,437,482				
Operating income	\$197,669	\$172,729	\$177,157	\$72,276	\$95,171	\$181,491	\$256,883				
Non Operating Income (Expenses);											
Non Oper Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Taxee Other Than income:	0	0	0	0	0	0	0				
Intendible Tax	(496)	(651)	(645)	(806)	(\$35)	(867)	(900)				
Other Taxes & Licenses	(75)	(99)	(98)	(122)	(126)	(131)	(136)				
Property Taxes:	(80,664)	(105,952)	(104,912)	(131,026)	(136,813)	(140,935)	(148,421)				
Tetal Non Operating Expenses	(\$81,235)	(\$106,702)	(\$105,654)	(\$131,953)	(\$136,774)	(\$141,832)	(\$147,458)				
Net income	\$118,434	\$05,027	\$71,502	(\$106,677)	(\$41,603)	\$39,559	\$108,535				
Taxable income (See worksheet for taxable income below) Income Taxes:	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
State 5.50%		0	0	0			0				
	<u>v</u>	v n	ŏ	Ň		Ň	ň				
Federal 34.00% Total income Taxes	0 50										
Net After Tax income	3116,454	\$66,027	\$71,502	(\$109,677)	(\$41,603)	\$39,559	\$108,536				
Rate Bass	\$933,943	\$1,424,518	\$1,395,099	\$1,761,980	\$1,735,107	\$1,672,162	\$1,500,648				
	4.8.499						6.91%				
Rule of Return Achieved	12.47%	4.64%	5.13%	6.22%	-2.40%	2.37%					
Allowed Return	12.04%	7.13%	7.13%	6.92%	6.92%	6.92%	6.81%				
Allowed Return Amount	\$112,447	\$101,569	\$99,480	\$121,976	\$120,081	\$115,679	\$108,535				

50 Worksheet for Taxable Income:

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	Interest Expense - Total Allocation Percentage to Water (1)	\$403,085 45.00%	\$581,792 45.00%	\$571,583 45.00%	\$776,147 45.00%	\$752,950 45.00%	\$725,093 45.00%	\$000,230 45.00%	
- 54	Alocated Interest Expense - Water	181,379	261,807	257,212	349,255	336,826	326,697	314,663	
- 55	•								
56	Restatement of Net Income Before Income Tax	\$116,434	\$66,027	\$71,502	(\$109,877)	(\$41,603)	\$39,559	\$106,535	
	LESS: Interest Expense - Water	181,379	261,807	257,212	349,265	336,626	326,697	314,653	
- 58	Taxable Income - Water (2)	\$0	50	\$0	\$0	\$0	50	\$0	

(1) Allocation percentage based upon current water rate base as a percentage of total rate base.

(2) For simplicity, taxable income is calculated separately for water and wastewater, however, the tax return would be filed on a consolidated besis. Furthermore, taxable income is not allowed to go negative in this model for water or wastewater. Negative taxable income in either system could offset taxable income in the other system and a net negative taxable income would result in tax eredts that could potentially be carried forward or beok.

SOURCE: BURTON & ASSOCIATES

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Figure 3a

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>Water O&M Expense Projections - Based on Debbie Swain's Analysis</u>

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

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500	<u>1999</u> 5,506	<u>2000</u> 5,763	<u>2001</u> 6,043	<u>2002</u> 6,867	<u>2003</u> 7,719	<u>2004</u> 8,600	<u>2005</u> 9,514
ERCs Inflationary Multiplier	1.50%	1.50%	1.50%	1,50%	1.50%	1.50%	1.50%
milatoriary wordpres	1.0070	1.0070			,		
Salaries and Wages - Employees	NA	NA	NA	0	0	0	0
Salaries and Wages - Officers	NA	NA	NA	0	0	0	0
Emp Pensions & Benefits	NA	NA	NA	0	0	0	0
Purchased Water	NA	NA	NA	108,892	124,259	140,558	157,866
Purchased Power	NA	NA	NA	828	945	1,068	1,200
Fuel for Power Production	NA	NA	NA	0	0	0	0
Chemicals	NA	NA	NA	4,139	4,723	5,342	6,000
Materials & Supplies	NA	NA	NA	3,449	3,936	4,452	5,000
Contr Svcs- Engineering	NA	NA	NA	7,168	7,277	7,388	7,500
Contr Svcs- Acct	NA	NA	NA	4,301	4,366	4,433	4,500
Contr Svcs- Legal	NA	NA	NA	2,867	2,911	2,955	3,000
Contr Svcs- Mgt Fees	NA	NA	NÁ	52,562	53,362	54,175	55,000
Contr Svcs- Other	NA	NA	NA	60,637	61,561	62,498	63,450
Rental of Bldg / Real Prop	NA	NA	NA	11,468	11,643	11,820	12,000
Rental of Equip	NA	NA	NA	0	0	0	0
Trans Exp	NA	NA	NA	0	0	0	0
Insurance - Vehicle	NA	NA	NA	0	0	0	0
Ins Gen Liab	NA	NA	NA	380	434	491	551
Insurance - Work Comp	NA	NA	NA NA	143	146	148	150
Insurance - Other	NA	NA	NA	463	528	597	671
Advertising Exp	NA	NA	NA	0	0	0	0
Reg Comm Exp - Rate Case	NA	NA	NA	0	0	0	0
Reg Comm Exp - Other	NA	NA	NA	0	0	0	0
Bad Debt Exp	NA	NA	NA	0	0	0	0
Misc Exp	NA	NA	NA	690	787	890	1,000
Total O&M - Nocatee Svc Area	0	0	0	257,986	276,875	296,814	317,888

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM PRO-FORMA INCOME PROJECTIONS - SEWER SYSTEM

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

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	Actuel	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projecte
Sewer	1999	2000	2001	2002	2003	2004	2005	2005	2007	2008	2008
Revenues:											
Rate Revenue:											
Rate Revenue	\$1,997,770	\$1,997,770	\$2,177,570	\$2,373,551	\$2,965,099	\$3,497,203	\$3,501,895				
Growth Percentage	NA	9.00%	9.00%	24.92%	20.60%	17.87%	15.50%				
Rate Revenue from Growth	0	179,799	195,961	591,548	610,774	617,832	544,780				
Rate Revenue Prior to Rate Adjustment	\$1,997,770	\$2,177,570	\$2,373,551	\$2,965,099	\$3,575,872	\$4,115,035	\$4,048,680				
Percentage Rate Increase	0.00%	0.00%	0.00%	0.00%	-2.20%	-14.90%	-11,87%				
Rate Revenue from Rate Adjustment	0	0	0	0	(78.009)	(613,140)	(480,296)				
Tatal Rate Revenue	\$1,997,770	\$2,177,570	\$2,373,551	\$2,965,089	\$3,497,203	\$3,501,895	33,506,384				
	• •,••• •,•••					,					
Other Revenue:			••	\$0	\$0	\$0	\$0				
Mec. Revenue	\$0	\$0	\$0	9U 0			ĩ				
Other Revenue	00	0	0			50	50				
Total Other Revenue	\$0	\$0	\$0	\$0		\$3,501,895	\$3,555,384				
Tetal Revenues	\$1,997,770	\$2,177,570	\$2,373,551	\$2,955,099	\$3,497,203	\$3,001,000	\$3,000,004				
Expenses:											
Additional O&M - Western Svc Area	\$0	\$0	\$0	\$394,428	\$406,837	\$543,553	\$624,922				
Operating Expenses- Eastern Svc Area	\$1,195,116	\$1,492,431	\$1,550,953	\$1,870,851	\$1,781,968	\$1,887,589	\$1,969,105				
Rate Case Emerse	56,996	56,996	55,995	56.996	56,998	56.005	56,998				
Franchise Fee- PSC		97,991	106,810	133,429	157,374	157.585	160,487				
	436,254	519,276	627.514	569,451	848,537	850,055	651,852				
Depreciation (U & U Ant Only)	(262,146)	(271,850)	(283,298)	(307,990)	(328.061)	(330,322)	(332,787)				
Amort of CIAC (U & U Amt Only)			6,253	6,253	6,253	6,253	6,253				
Amort of Acq Ad	6,253	0,253	\$1,966,229	\$2,523,417	\$2,789,894	\$2,971,522	\$3,156,828				
Total Expenses	\$1,432,471	\$1,901,097			\$707,300	\$530.373	\$409,555				
Operating income	\$565,299	\$276,473	\$408,322	\$441,662	\$707,300	\$530,373	\$408,800				
Non Operating Income (Expenses):											
Non Oper Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Taxes Other Then Income:											
intendible Tax	0	0	0	0	0	0	0				
Other Taxae & Licenses	(75)	(75)	(75)	(97)	(105)	(112)	(121)	1			
Property Texes:	(129,725)	(129,662)	(130,042)	(167,934)	(180,761)	(194,270)	(208,622)	•			
	(\$129,800)	(\$129,738)	(\$130,117)	(\$168,031)	(\$180,885)	(\$194,383)	(\$208,643)				
Total Non Operating Expenses	\$435,400	\$146,736	\$278,205	\$273,651	\$528,444	\$335,990	\$200,914				
Net Income Taxable Income (See worksheet for taxable income below)	\$213,813	\$140,730	\$0	\$0	\$112,321	\$0	\$0				
Income Taxes: 5.50%	11.760	0	0	a	6,178	0	0				
34.00%	88,898	ŏ	ŏ	ō	36,089	0	Õ				
Total income Taxes	\$80,458	\$0	\$0	\$0	\$42,265	\$0	\$0				
Net After Tax income	\$355,041	\$144,738	\$278,206	\$273,651	\$484,177	\$336,990	\$200,814				
Rate Base	\$4,979,232	\$4,602,108	\$4,163,875	\$5,233,862	\$4,680,873	\$3,803,355	\$2,905,629				
Rate of Return Achieved	7.13%	3.19%	6.65%	5.23%	10.34%	8.83%	6.91%				
Allowed Return	12.04%	7.13%	7,13%	6.92%	6.92%	6.92%	8.91%				
Allowed Return Amount	\$599,500	\$328,133	\$296,278	\$362,324	\$323,946	\$263,113	\$200,914				
Worksheet for Taxable Income:											
interest Expense - Total	\$403,065	\$581,792		\$776,147	\$752,950	\$725,993	\$899,230				
Alocation Percentage to Sewer (1)	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%				

54	Allocated Interest Expense - Sever	221,686	319,965	314,371	426,881	414,123	309,296	364,576
55								
	Restatement of Net Income Before Income Tax	\$435,499	\$148,738	\$278,205	\$273,651	\$528,444	\$335,990	\$200,914
57	LESS: Interest Expense - Sewer	221,666	319,966	314,371	426,881	414,123	399,298	384,576
58	Taxable Income - Sever (2)	\$213,813	\$0		- - \$0	\$112,321	\$O	\$0

58 Taxable Income - Sever (2)

(1) Allocation percentage based upon current water rate base as a percentage of total rate base.

(2) For simplicity, taxable income is calculated separately for water and westewater, however, the tax return would be field on a consolidated basis. Furthermore, taxable income is not allowed to go negative in this model for water or waterwater. Negative taxable income in either system could offset taxable income in the other system and a net negative taxable income would result in tax credus that could potentially be carried forward or back.

SOURCE: BURTON & ASSOCIATES CIDATA112SVCLATESTIM-1VAMS312.WK4

Figure 4a

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Sewer O&M Expense Projections - Based on Debbie Swain's Analysis

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

ERCs	<u>1999</u> 2,857	<u>2000</u> 2,857	<u>2001</u> 3,114	<u>2002</u> 3,395	<u>2003</u> 4,241	<u>2004</u> 5,114	<u>2005</u> 6,018
Inflationary Multiplier	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Salaries and Wages - Employees	NA	NA	NA	0	0	0	0
Salaries and Wages - Officers	NA	NA	NA	0	0	0	0
Emp Pensions & Benefits	NA	NA	NA	0	0	0	0
Purchased Sewage Treatment	NA	NA	NA	234,758	297,731	364,528	435,459
Sludge Removal Expense	NA	NA	NA	18,330	23,246	28,462	34,000
Purchased Power	NA	NA	NA	270	342	419	500
Fuel for Power Production	NA	NA	NA	0	0	0	0
Chemicals	NA	NA	NA	2,696	3,419	4,186	5,000
Materials & Supplies	NA	NA	NA	4,043	5,128	6,278	7,500
Contr Svcs- Engineering	NA	NA	NA	4,301	4,366	4,433	4,500
Contr Svcs-Acct	NA	NA	NA	2,867	2,911	2,955	3,000
Contr Svcs- Legal	NA	NA	NA	52,562	53,362	54,175	55,000
Contr Svcs- Mgt Fees	NA	NA	NA	60,637	61,561	62,498	63,450
Contr Svcs- Other	NA	NA	NA	11,468	11,643	11,820	12,000
Rental of Bldg / Real Prop	NA	NA	NA	0	0	0	0
Rental of Equip	NA	NA	NA	0	0	0	Ó
Trans Exp	NA	NA	NA	Ō	0	Ō	Ő
Insurance - Vehicle	NA	NA	NA	0	Ő	Ō	Ō
Ins Gen Liab	NA	NA	NA	387	491	601	718
Insurance - Work Comp	NA	NA	NA	143	146	148	150
Insurance - Other	NA	NA	NA	1,426	1,808	2,214	2,645
Advertising Exp	NA	NA	NA	0	0	_, 0	_,0.0
Reg Comm Exp - Rate Case	NA	NA	NA	õ	ō	ŏ	õ
Reg Comm Exp - Other	NA	NA	NA	Ō	Ō	ō	Ō
Bad Debt Exp	NA	NA	NA	Ō	0	Ő	0
Misc Exp	NA	NA	NA	539	684	837	1,000
Total O&M - Nocatee Svc Area		0	0	394,426	466,837	543,553	624,922

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Water

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Existing Asset Depreciation

Existing Assets	Year (Estimated Odologi Cost	l ife (Years)					
1 Franchises	1980	Original Cost \$34,630	NA					
2 Structures	1982	12,746	33					
3 Wells & Springs	1985	50,533	30					
4 Other Pumping	1987	4,095	20					
5 Pumping Equip	1990	13,538	20					
			20 25					
6 Other Water Source Plant	1985	536						
7 Structures & Improvements	1993	35,424	33					
6 Treatment	1965	992,638	22					
9 Dist Reservoirs	1992	310,310	37					
0 Mains	1989	3,310,401	45					
1 Services	1991	745,443	40					
2 Meters	1992	344,873	20					
3 Hydrants	1992	403,951	45					
4 Other T&D	1986	33,635	25					
5 Supply Mains	1991	1,392	35					
6 General	1980	2,190	33					
7 Furniture	1994	3,688	15					
8 Power Equip	1967	732	10					
9 Misc Equip	1992	3,720	15					
0 Acquisition	1983	187,303	40					
1 Total Estimated Original Cost	1000	\$6,491,776	<u>~</u>					
2 Adjustment to 1996 Annual Report Utility Plant In Service		(29,167)						
3 Total Utility Plant in Service		\$6,462,609						
Depreciation Schedule - Existing Assets 4 Franchises	1999	2000	2001	2002	2003	2004	2005	
5 Structures	\$386	\$386	\$386	\$386	\$386	\$386	\$386	
6 Wells & Springs	1,684	1,684	1,664	1,684	1,684	1,684	1,684	
7 Other Pumping	205	205	205	205	205	205	205	
8 Pumping Equip	677	677	677	677	677	677	677	
9 Other Water Source Plant	21	21	21	21	21	21	21	
0 Structures & Improvements	1,073	1.073	1.073	1,073	1,073	1.073	1,073	
1 Treatment	45,120	45,120	45,120	45,120	45,120	45,120	45 120	
2 Dist Reservoirs	8,387	8,387	8,387	8,387	8,387	8,387	8,387	
I3 Mains	73,564	73,564	73,564	73,564	73,584	73,564	73,564	
4 Services	18,636	18,636	18,636	18,636	18,636	18,636	18,636	
IS Meters	17,244	17,244						
io Hydrants	8,977		17,244	17,244	17,244	17,244	17,244	
7 Other T&D		8,977	8,977	8,977	8,977	8,977	8,977	
	1,345	1,345	1,345	1,345	1,345	1,345	1,345	
8 Supply Mains	40	40	40	40	40	40	40	
19 General 10 Furniture	66	66	66	66	66	66	66	
	248	246	246	246	246	246	246	
					-	•	-	
1 Power Equip	-	-	•					
11 Power Equip 12 Misc Equip	248	248	248	248	248	248	248	
11 Power Equip 12 Misc Equip 13 Acqueition	4,683	4,683	4,683	248 4,683	248 4,683	248 4,683	248 4,683	
1 Power Equip 2 Misc Equip 3 Acquisition 4 Total Existing Depreciation	4,683 \$182,603	4,683	4,683	4,683	4,683	4,683	4,683	
11 Power Equip 12 Misc Equip 13 Acqueition	4,683	4,683	4,683	4,683	4,683	4,683	4,683	

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - WATER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Water

New Asset Depreciation

		<i>'</i>	Estimated	
N	ew Assets	Year	Original Cost	Life (Years)
1 -	Pumping Equipment	2002	\$100,000	20
2	Trans and Dist Mains (Plant)	2002	1,097,247	43
3	Office Furniture and Equipment	2002	10,000	15
4	Stores Equipment	2002	5,000	18
5	Communication Equipment	2002	2,500	10
6	Organizations	2002	15.000	40
7	2.0 MG Reservoir w. Aerator	2007	· •	40
8	Expand Pump Station #1	2007	600.000	20
9	750 GPM Supply Wells	2007	· •	30
10	12* PVC Well Header	2007	-	45
11	16" PVC Well Header	2007	-	45
12	Engineering & Contingency	2007	404,250	30
13	8" PVC Well Header	2007	•	45
14	24" PVC Water Main	2007	450.000	45
15 _	Water Plant- East Svc Area	2000	1,500,000	26

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	epreciation Schedule - New Assets	1998	1999	2000	2001	2002		2004	2005	
16	Pumping Equipment		-		-	\$2,500	\$5,000	\$5,000	\$5,000	
17	Trans and Dist Mains (Plant)		•	-	-	12,759	25,517	25,517	25,517	
18	Office Furniture and Equipment		-	-	•	333	667	667	667	
19	Stores Equipment		-	-	-	139	278	278	278	
20	Communication Equipment		-	-	-	125	250	250	250	
21	Organizations		•	-	-	188	375	375	375	
22	2.0 MG Reservoir w. Aerator		•	-	-	-	-	-		
23	Expand Pump Station #1		-	-	-	-	-	-	•	
24	750 GPM Supply Wells		-	•	-	-	-	-	-	
25	12" PVC Well Header		-	-	-	-		-	-	
26	16" PVC Well Header		-	-	-	-	-	-		
27	Engineering & Contingency		-	-	-	-	-	-	-	
28	8" PVC Well Header		•	-	-	-	-	-	-	
29	24" PVC Water Main		-	-	-	-	-	-	-	
30	Water Plant- East Svc Area		-	28,846	57,692	57,692	57,692	57,692	57,692	
47	CIAC Plant		-	2,102	4,582	13,470			14,943	
48 To	tal New Depreciation	· · · · · ·	-	\$30,948		\$87,206				
I	tal Depreciation - Water									
49 To	tal Existing Depreciation		\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	\$182,603	
50 To	tal New Depreciation		\$102,000	30,948		87,206			104,723	
	stal Depreciation		\$182,603	\$213,551		\$269,808			\$287,325	
52 Ac	cumulated Depreciation	\$1.635.149	\$1,817,752	\$2,031,302	•			\$3,119,080		
	E: BURTON & ASSOCIATES								4-1-1-0-1-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-	

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

SEWER:

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Existing Asset Depreciation

			Estimated	
_	Existing Assets	Year	Original Cost	Life (Years)
1 -	Franchises	1980	\$34,630	NA
2	Sewers-Force	1991	1,209,416	30
3	Sewers-Gravity	1989	4,843,762	45
4	Other	1985	75,209	40
5	Services	1991	737,204	38
6	Receiving Well	1991	459,021	30
7	Pumping Equip	1992	996,960	18
8	Structures	1986	78,871	32
9	Treat Equip	1990	1,840,940	18
10	Outfall Sewer	1987	4,941	30
11	Other Treatment	1991	13.265	18
12	Structures	1994	90,237	32
13	General	1981	6,241	32
14	Furniture	1986	711	15
15	Laboratory	1995	7.747	15
16	Power Equip	1963	732	12
17	Misc Equip	1989	1,589	15
18	Acquisition	1983	243,854	39
19]	fotal Estimated Original Cost		\$10,645,330	
20 /	Adjustment to 1998 Annual Report Utility Plant In Service		308,909	
21]	Total Utility Plant in Service		\$10,954,239	

22 Franchises \$40,314 \$40,310 \$40,310	De	preciation Schedule - Existing Assets	1999	2000	2001	2002	2003	2004	2005	
24 Sewers-Gravity 107,639			•	•	-			-	•	
24 Sewers-Gravity 107,639 103,633			\$40,314	\$40,314	\$40,314	\$40,314	\$40,314	\$40.314	\$40.314	
25 Other 1,860 1,860 1,880 1,800 19,400 <t< td=""><td></td><td></td><td>107,639</td><td>107,639</td><td>107,639</td><td></td><td></td><td></td><td></td><td></td></t<>			107,639	107,639	107,639					
28 Services 19,400 15,501 15,501 <th>25</th> <th>Other</th> <th>1,880</th> <th>1,880</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	25	Other	1,880	1,880						
27 Receiving Well 15,301 <th>26</th> <th>Services</th> <th>19,400</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	26	Services	19,400							
28 Pumping Equip 55,387 55,3	27	Receiving Well								
29 Structures 2,465 102,274 <th< td=""><td>28</td><td>Pumping Equip</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	28	Pumping Equip								
30 Treat Equip 102,274 <th< td=""><td>29</td><td>Structures</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	29	Structures								
31 Outfall Sewer 165	30	Treat Equip								
32 Other Treatment 737	31	Outfall Sewer								
33 Structures 2,820 <	32	Other Treatment								
34 General 195<	33	Structures								
35 Furniture 47 47 47 36 Laboratory 516 5	34	General								
36 Laboratory 516 5	35	Furniture							,	
37 Power Equip 38 Misc Equip 39 Acquisition 6,253 6,253 40 Total Existing Depreciation 355,499 \$355,499 41 Adjustment to Reconcile to Accounting Records 4,756 4,756 4,756 4,756	36	Laboratory			516	518	516	518	51R	
39 Acquisition 6,253	37	Power Equip	•	-	-	0.0	0.0	010	0.0	
39 Acquisition 6,253	38	Misc Equip	106	106	106	106	106	-	_	
40 Total Editing Depreciation \$355,499 \$355,499 \$355,452<	39	Acquisition						6 253	6 253	
41 Adjustment to Reconcile to Accounting Records 4,756 4,756 4,756 4,756 4,756 4,756 4,756	40 To									
	42 To	tal Existing Depreciation	\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM DEPRECIATION SCHEDULE - SEWER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

<u>SEWER:</u>

New Asset Depreciation

		r.	Estimated	
	New Assets	Year	Original Cost	Life (Years)
1	Organizations	2002	\$15,000	
2	Structures and Improvements	2002	257,600	32
3	Collection Sewers - Force	2002	1.426.074	30
4	Flow Measuring Devices	2002	50,000	5
5	Pumping Equipment	2002	386,400	18
6	Office Furniture and Equipment	2002	10.000	15
7	Stores Equipment	2002	5.000	18
8	Communication Equipment	2002	2,500	10
9	1.0 MGD WWTP Expansion	2007		26
10	12" PVC Force Main	2007	120.000	30
11	8" PVC Force Main	2007	115,000	30
12	Engineering & Contingency	2007	1,327,500	30
13	16" PVC Force Main	2007	190,000	30
14	WWTP Improvement East Svc Area	1999	3,343,962	22

D	epreciation Schedule - New Assets		1999	2000	2001	2002	2003	2004	2005	
15 🗌	Organizations		-	-	•	\$188	\$375	\$375	\$375	
16	Structures and Improvements		-	•	-	4,025			8,050	
17	Collection Sewers - Force		•	-	•	23,768		47,536	47,536	
18	Flow Measuring Devices		-	-	•	5,000		10,000	10.000	
19	Pumping Equipment		-	-	-	10,733		21,457	21,467	
20	Office Furniture and Equipment		-	-	•	333	667	667	667	
21	Stores Equipment		•	-	-	139		278	278	
22	Communication Equipment		-	-	-	125		250	250	
23	1.0 MGD WWTP Expansion		-	-		-		200		
24	12" PVC Force Main		-	-		-				
25	8" PVC Force Main		-	-		-	_		-	
26	Engineering & Contingency		-	-		_	_			
27	16" PVC Force Main		-		-		_	-	_	
28	WWTP Improvement East Svc Area		75,999	151,998	151,998	151,998	151,998	151,998	151,998	
29	CIAC Plant			7.022	15,309	46,207	47 709	49,346	51,130	
	otal New Depreciation		\$75,999	\$159,021	\$167,307	\$242,517	\$288 329		\$291,751	
I	otal Depreciation - Sewer									
31 T	otal Existing Depreciation		\$360,255	\$360,255	\$360,208	\$360,208	\$360,208	\$360,102	\$360,102	
	otal New Depreciation		75,999	159,021	167,307	242,517	288,329	289,966	291,751	
	otal Depreciation		\$436,254	\$519,276	\$527,514	\$602,724		\$650,068	\$651,852	
34 A	ccumulated Depreciation	\$2,768,561	\$3,204,815	\$3,724,091	\$4,251,605	SA 854 329	\$5,502,866	58 152 934	56 904 797	

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Water - Existing CIAC

Existing CIAC

			Estimated	
	Existing CIAC- Plant	Year	Original Cost	Life (Years)
1	Other	1989	\$29,688	30
2	Dist Reservoirs & Standpipes	1992	24,490	37
3	Transmission & Dist Mains	1958	2 585 764	45
4	Services	1990	559,129	40
6	Meters & Meter instals	1992	181,201	20
6	Hydrants	1990	307,505	45
7	Total Existing CIAC - Plant		\$3,687,777	

	Existing CIAC - Cash	Year	Estimated Original Cost	Life (Years)
	Cash		\$1.318.650	
	Total Existing CIAC - Cash	1991		
	Tool Existing CAC - Clan		\$1,318,650	
	A			
10	Total Existing CIAC		\$5,006,427	
-11	Adjustment to 1998 Annual Report		130,062	
12	Total Existing CIAC		\$5,136,489	
	-			

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Amortization of Existing CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	
13 Other 14 Dist Reservoirs & Standpipes 15 Transmission & Dist Mains 16 Services 17 Meters & Meter installs	\$990 662 57,461 13,978	\$990 662 57,461 13,978	\$990 662 57,461 13,978	\$990 662 57,461 13,978	\$990 662 57,481 13,978	\$990 662 57,461 13,978	\$990 662 57,461 13,978	
17 Motors & Motor Results 18 Hydrants 19 Total Plant Amortization	9,060 6,833 \$88,985							

Amortization Schedule - Existing Cash CIAC								
20 Cash	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	\$43,955	
21 Total Cash CIAC Amortization	\$43,955	\$43,955	\$43,955	\$43,956	\$43,955	\$43,955	\$43,955	
22 Total Existing CIAC Amorization 23 Adjustment to Records to Accounting Records 24 Total Existing CIAC Amorization	\$132,940 \$10,373							
	\$143,313	\$143,313	\$143,313	\$145,313	\$143,313	\$143,313	\$143,313	

SOURCE: BURTON & ASSOCIATES C:DATA1123VCUATESTIN-1/FAMS312.0K4

Figure 7 Page 2 of 2

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - WATER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

New CIAC

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1	New CIAC- Plant: Transmission & Dist Mains Services	Life	43	AC PER ERC \$469.63	<u>1999</u> -	2000 \$120,761	2001 \$131,830	<u>2002</u> \$386,978	<u>2003</u> \$399,890	<u>2004</u> \$413,965	<u>2005</u> \$429,307		
3	Motors & Motor Installs		40 20	\$101.55 \$32.91	:	\$26,113 \$8,463	\$28,453 \$9,224	\$83,678 \$27,118	\$86,470 \$28,023	\$89,513 \$29,009	\$92,831 \$30,084		
4	Hydrants Total New CIAC - Plant		45	\$55.85		\$14,361	\$15,654	\$46,020	\$47,556	\$49,230	\$51,054		
					-	\$169,697	\$154,970	\$543,793	\$561,939	\$581,717	\$603,276		
6 7	New CIAC - Cash: New CIAC - Cash				-	\$60,287	\$65,713	\$193,189	£400 000	\$700 800	en4 (and		
8	Life		30		•	400,201	400,713	3195,169	\$199,636	\$206,663	\$214,322		
9	Total New CIAC - Cash				•	\$60,287	\$65,713	\$193,189	\$199,636	\$205,663	\$214,322	 	
10	Total New CIAC				-	\$229,964	\$250,683	\$736,983	\$781,675	\$788,380	\$817,508		
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets				1999	2000	2001	2002	2003	2004	2005		
	New CIAC - Plant Amorilization												
	Transmission & Dist Mains Services				-	\$1,404 \$326	\$3,061	\$8,999	\$9,300	\$9,627	\$9,984		
	Meters & Meter Installs				-	\$212	\$712 \$461	\$2,092 \$1,356	\$2,162 \$1,401	\$2,238 \$1,450	\$2,321 \$1,504		
15 16	Hydrants Total New CIAC - Plant Amoritzation				-	\$160	\$348	\$1,023	\$1,057	\$1,004	\$1,135		
10					-	\$2,102	\$4,582	\$13,470	\$13,919	\$14,400	\$14,943	 	
17	New CIAC - Cash Amorization Total New CIAC - Cash Amorization		·		-	\$1,005	\$2,190	\$6,440	\$6,655	\$6,889	\$7,144	 	
					-	\$1,005	\$2,190	\$6,440	\$6,655	\$6,889	\$7,144		
18	Total New CIAC Amortization				•	\$3,107	\$5,772	\$19,910	\$20,574	\$21,295	\$22,087		

Summary of CIAC & CIAC Amortization - Water

	CIAC	Existing 1996	1999	2000	2001	2002	2003	2004	2005	
	Total Edisting CIAC	\$5,138,489								
	Total New CIAC Total Accumulated CIAC - Weiter		-	\$229,984	\$250,683	\$736,983	\$761,575	\$788,380	\$817,598	
21	LOUI YCCTUORING CIAC - AARIN.	\$5,136,489	\$5,136,489	\$5,366,473	\$5,517,157	\$6,354,139	\$7,115,714	\$7,904,094	\$6,721,692	
	CIAC Amontization Total Edisting CIAC Annual Amontization									
	Total New CIAC Annual Amortization		\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	\$143,313	
	Total CAC Annual Amerization - Water		•	3,107	6,772	19,910	20,574	21,298	22,087	
24	LONE CIVE VILLINE VILLESERGUS - AASTRI.		\$143,313	\$145,419	\$150,085	\$163,222	\$163,887	\$164,811	\$165,400	
25	Accumulated CIAC Amortization	\$1,078,706	\$1,222,018	\$1,368,437	\$1,518,522	\$1,681,745	\$1,845,631	\$2,010,242	\$2.175.642	

SOURCE: BURTON & ASSOCIATES C:DATA11239CLATESTIN-19FAMS312.WK4

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

Sewer - Existing CIAC

Existing CIAC

				Estimated	
	Existing CIAC - Plant	*	Year	Original Cost	Life (Yeers)
1	Oher		1992	\$73,594	
2	Sewers - Force		1989	860,765	30
3	Sewers - Grevity		1988	3,717,765	45
4	Other - Collecting		1985	62,148	40
5	Services		1990	561,347	38
6	Shuctures		1997	5,500	32
7	Receiving Well		1991	247,738	30
8	Pumping Equipment		1990	501,274	18
9	Total Edisting CIAC - Plant			\$6,030,111	

	Existing CIAC - Cash	Year	Estimated Original Cost	Life (Years)
10	Cash	1992	\$2,386,734	
	Total Existing CIAC - Cash		\$2,386,734	
	Tetal Existing CIAC		\$8,416,845	
	Adjustment to 1998 Annual Report		185,922	
13	Total Existing CIAC		\$8,602,757	

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Amortization of Existing CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	
14 Other	\$2,453	\$2 453	\$2,453	\$2,453	\$2,453	\$2,453	52,453	
15 Sewers - Force	28,692	28,692	28,692	28,692	28,692	28,692	28,692	
16 Sewers - Gravity	82,617	82.617	82.617	82,617	62.617	82.617	82,617	
17 Other-Collecting	1.554	1,554	1,554	1,554	1,554	1,554	1,554	
18 Services	\$4,772	14,772	14,772	14,772	14,772	14,772	14,772	
19 Structures	172	172	172	172	172			
20 Receiving Well	8.258					172	172	
21 Pumping Equipment		8,258	8,258	8,258	8,258	8,258	8,258	
22 Total Plant Amorization	27,849	27,849	27,849	27,849	27,849	27,849	27,849	
	\$166,366	\$166,366	\$166,366	\$156,366	\$156,366	\$166,366	\$166,366	

Amortization Schedule - Existing Cash CIAC								
23 Cash	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	\$79,558	
24 Total Cash CIAC Amortzation	\$79,558	\$79,558	\$79,555	\$79,558	\$79,558	\$79,558	\$79,558	
25 Total Existing CIAC Amortization 26 Adjustment to Reconcile to Accounting Records	\$245,924 \$16,224							
27 Total Existing CIAC Amortization	\$262,148	\$262,148	\$262,146	\$262,148	\$262,146	\$262,148	\$262,148	

SOURCE: BURTON & ASSOCIATES

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Figure 8 Page 2 of 2

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - SEWER</u>

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

New CIAC

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			<u>1999</u>	2000	2001	2002	2003	2004	2005
		CIAC per							
	New CIAC - Plant:	Life ERČ							
1	Severs - Force	32 \$23. 30 \$301.		\$6,069	\$6,637	\$20,032	\$20,683	\$21,393	\$22,106
	Severs - Gravity	45 \$1,301.		\$77,472	\$64,444	\$254,885	\$263,169	\$272,199	\$262,041
4	Services	38 \$195.		\$334,615 \$50,524	\$364,730 \$55,071	\$1,100,897 \$166,225	\$1,136,677 \$171,628	\$1,175,677	\$1,218,187 \$183,935
- 3	Pumping Equip	18 \$175.		\$45,117	\$49,177	\$148,437	\$153,281	\$177,517 \$158,519	\$164,251
ě	Life	30	<u></u> -	44 0,117	6710 ,177	0140,431	\$133,201	4100,018	\$ (04,20)
7	Total New CIAC - Plant		•	\$513,818	\$580,059	\$1,690,476	\$1,745,418	\$1,805,305	\$1,870,581
	New CIAC - Cash:								
5	New CIAC- Cash			\$160,766	\$175,235	\$528,926	\$546,117	\$564,855	\$585,279
9	Life	30			****	+		Ann 1 4400	
10	Total New CIAC - Cash		•	\$160,766	\$175,235	\$528,928	\$546,117	\$564,855	\$585,279
11	Total New CIAC		-	\$674,581	\$735,294	\$2,218,403	\$2,291,535	\$2,370,150	\$2,455,850
	Amortization of New CIAC								
	Amortization Schedule - New CIAC Assets		1999	2000	2004	2002	-		2007
	CLUB DE		1000	200	2001	2002	2003	2004	2005
12	New CIAC - Plant Amortization								
13	Structures & Improvements			\$95	\$207	\$626	\$646	\$889	\$693
14	Sewers - Force			\$1,291	\$2,815	\$8,496	\$8.772	\$9,073	\$9,401
15	Sewers - Gravity		•	\$3,718	\$8,105	\$24,464	\$25,259	\$26,126	\$27,071
16	Services			\$665	\$1,449	\$4,374	\$4.517	\$4,671	\$4,540
17	Pumping Equip		•	\$1,253	\$2,732	\$8,246	\$8,514	\$8,807	\$9,125
13	Total New CIAC - Plant Amortization		•	\$7,022	\$15,300	\$46,207	\$47,709	\$49,345	\$51,130
	New CIAC- Cash Amortization			\$2,679	\$5,841	\$17,631	\$18,204	\$18,828	\$19,509
19	Total Cash Amortization		•	\$2,679	\$5,841	\$17,631	\$18,204	\$18,828	\$19.509
20	Total New CIAC Amortization				-		-		
40			•	\$9,702	\$21,150	\$63,638	\$65,913	\$88,175	\$70,640

Summary of CIAC & CIAC Amortization - Sewer

		dating 1996	1999	2000	2001	2002	2003	2004	2005	
	Total Existing CIAC	\$6,602,767								
	Total New CIAC		•	874,581	735,294	2,219,403	2,291,535	2,370,159	2,455,859	
23	Total Accumulated CIAC - Sever	\$8,602,767	\$8,602,767	\$9,277,348	\$10,012,642	\$12,232,045	\$14,523,579	\$16,893,739	\$19,349,508	
	CIAC Amortization									
24	Total Existing CIAC Annual Amortization		\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	\$262,148	
- 25	Total New CIAC Annuel Amortization		•	9,702	21,150	63,838	65,913	68,175	70,640	
28	Total CLAC Annual Amortization - Sever		\$262,148	\$271,850	\$263,298	\$325,966	\$328,061	\$330,322	\$332,787	
27	Accumulated CIAC Amortization	\$1,836,237	\$2,198,385	\$2,470,234	\$2,753,532	\$3,079,518	\$3,407,578	\$3,737,901	\$4,079,628	
								*-31 - 1 2 - 1	*****	
	Total Water & Sewer									
28	Total Existing CIAC Annual Amortization - Water & Sev		\$405,461	\$405.461	\$405,481	\$405,461	\$405,461	\$405,461	\$405,461	
	Total New CIAC Annual Amortization - Water & Sewer		• • • • • • • • • • • •	12,808	27.922	83,748	86,487	89,473	92,727	
	Total CIAC Annual Amortization - Water & Sewer	· · · · · · · · · · · · · · · · · · ·	\$405,481	\$418,269	\$433,383	\$489,208	\$491,948	\$494,933	\$498,188	
			÷700,701		600,6 000	end5,200	9481,948	e-ce(,Pore	and0,160	

SOURCE: BURTON & ASSOCIATES CADATA1229CUATESTIM-197A08312.WK4

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>RATE BASE</u>

Scenario 2 - intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

	<u>1999</u>	2000	2001	2002	2003	2004	2005
1 Water Percent Contributed	84%	66%	68%	62%	67%	73%	78%
2 Utility Plant in Service	\$6,462,609	\$8,132,306	\$8,317,276	\$10,090,817	\$10,652,755	\$11,234,473	\$11,837,749
3 Include Construction Work in Progress? NO	0	0	0	0	0	0	0
4 Less: Accumulated Depreciation	(1,817,752)	(2,031,302)	(2,276,179)	(2,545,987)	(2,832,288)	(3,119,060)	(3,406,405)
5 Utility Plant In Service less Accum Depr.	\$4,644,857	\$6,101,004	\$6,041,098	\$7,544,829	\$7,820,457	\$8,115,393	\$5,431,344
6 Less: Accumulated CIAC	(5,136,489)	(5,366,473)	(5,617,157)	(6,354,139)	(7, 115, 714)	(7,904,094)	(8,721,692)
7 Plus: Accumulated Amortization of CIAC	1,222,018	1,368,437	1.518,522	1,681,745	1,545,631	2,010,242	2,175,542
8 Net Utility Plant in Service	\$730,386	\$2,102,968	\$1,942,463	\$2,872,435	\$2,550,384	\$2,221,542	\$1,885,295
9 Plus or Minus:							• .,,
10 Acquisition Adjustments	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303	\$187,303
11 Accumulated Amort of Acq Adjustments	(77,263)	(81,946)	(86,629)	(91,312)	(95,995)	(100,678)	(105,361)
12 Working Capital Allowance 12,50% of O&M	93,517	96,317	99,250	104,122	108,912	113,655	118,380
13 Other	0	0	0			. 10,000	. 10,000
14 Net Utility Plant In Service	\$933,943	32,304,642	\$2,142,387	\$3,072,543	\$2,750,604	\$2,421,821	\$2,085,617
• • • • • • • • • • • • • • • • • • • •			and tank that t		44,1 30,004	\$4,7£1,8£1	<i>\$4,980,017</i>
15 U&U Percentage	100.00%	61.81%	65.12%	57.35%	63.08%	69.05%	75.26%
16 Rete Bese							
	\$933,943	\$1,424,518	\$1,395,099	\$1,761,980	\$1,735,107	\$1,672,162	\$1,569,648

17	Sewar: Percent Contributed	58%	61%	65%	64%	72%	79%	86%	
18	Utility Plant in Service	\$14,298,201	\$14,812,017	\$15,372.076	\$19,215,126	\$20,960,544	\$22,765,848	\$24,636,429	
19	include Construction Work in Progress? NO	0	. 0		0	0	0	0	
20	Less: Accumulated Depreciation	(3,204,815)	(3,724,091)	(4,251,605)	(4,854,329)	(5,502,866)	(6,152,934)	(6,804,787)	
- 21	Utility Plant In Service less Accum Depr.	\$11,093,386	\$11,087,926	\$11,120,470	\$14,360,796	\$15,457,678	\$16,612,914	\$17,831,643	
22	Less: Accumulated CIAC	(8,602,767)	(9,277,348)	(10,012,642)	(12,232,045)	(14,523,579)	(16,893,739)	(19,349,595)	
23	Plus: Amortization of CIAC	2,198,385	2,470,234	2,753,632	3,079,518	3 407 579	3,737,901	4,070,689	
24	Net Utility Plant in Service	\$4,689,004	\$4,280,812	\$3,861,360	\$5,208,270	\$4,341,677	\$3,457,077	\$2,552,734	
25	Plue or Minue:							•-••	
26	Acquisition Adjustments	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	\$243,854	
27	Accumulated Amort of Acq Adjustments	(103,015)	(109,112)	(115,209)	(121,306)	(127.403)	(133,499)	(139,596)	
28	Working Capital Allowance 12.50% of O&M	149,389	186,554	193,869	208,856	222,745	235,924	248,638	
29	Other	0	0	0	0	0	0	0	
30	Net Utility Plant in Service	\$4,979,232	\$4,602,108	\$4,183,875	\$5,539,675	\$4,680,873	\$1,501,565	12.006.029	
31									
32	U&U Percentage	100.00%	100.00%	100.00%	94.48%	100.00%	100.00%	100.00%	
33	Rate Base	\$4,979,232	\$4,602,108	\$4,183,875	\$5,233,862	\$4,680,873	\$3,803,355	\$2,905,629	······································

SOURCE: BURTON & ASSOCIATES C:DATA(123)/CUATESTIN~1/FAMS312.WK4

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03/12/2000

Figure 9

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM UTILITY PLANT IN SERVICE - WATER & SEWER

Water

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		Estimated Original	c Date	1898	1999	2000	2001	2002	2003	2004	2005	
	New Assets per CIP:											
1	Punping Equipment	\$100,000	2002					\$100,000				
2	Trans and Dist Mains (Plant)	1,097,247	2002					\$1,097,247				
3	Office Furniture and Equipment	10,000	2002					10,000				
4	Stores Equipment	5,000	2002					5,000				
5	Communication Equipment	2,500	2002					2,500				
6	Organizations	15,000	2002					15,000				
7	2.0 MG Reservoir w. Aerator	D	2007							•		
8	Expand Pump Station #1	600,000	2007									
9	750 GPM Supply Wells	0	2007									
10	12" PVC Well Header	0	2007									
- 11	16" PVC Weil Header	0	2007									
12	Engineering & Contingency	404,250	2007									
13	5" PVC Weil Header	0	2007									
- 14	24" PVC Water Main	450,000	2007									
15	Water Plant- East Svc Area	1,500,000	2000			1,500,000						
16	Total Utility Plant in Service (not includ	ing CIAC)		\$6,462,609	\$6,462,609	\$7,962,609	\$7,962,609	\$9,192,356	\$9,192,356	\$9,192,356	\$9,192,356	· · · · · · · · · · · · · · · · · · ·
17	New Plant Assets per CIAC;											
18	New Plant Assets (CIAC) Total New Plant Assets (CIAC)				\$0	\$169,697	\$184,970	\$543,793	\$561,939	\$581,717	\$803,276	
149	TODE NOW PIECE ABBOES (CLAC)			\$0	\$0	\$169,607	\$354,667	\$898,461	\$1,460,360	\$2,042,117	\$2,645,363	
19 70	otal Water Utility Plant In Service			\$6,462,009	\$6,462,009	\$8,132,306	\$6,317,276	\$10,000,817	\$10,652,765	\$11,234,473	\$11,837,749	

Sewer:

		Estimated Original Cost	in Sve Date	1998	1999	2000	2001	2002	2003	2004	2005	
	New Assets per CiP;			11111			AND A	ANDLA				
20	Organizations	\$15,000	2002					\$15,000				
21	Structures and improvements	257,600	2002					\$257,000				
22	Collection Sewars - Force	1,426,074	2002					1429074				
23	Flow Mensuring Devices	60,000	2002									
24	Pumping Equipment	386,400	2002					50000				
25								386400				
	Office Furniture and Equipment	10,000	2002					10000				
26	Stores Equipment	5,000	2002					5000				
27	Communication Equipment	2,500	2002					2500				
28	1.0 MGO WWTP Expansion	0	2007									
29	12" PVC Force Main	120,000	2007									
30	8" PVC Force Main	115.000										
31	Engineering & Contingency	1,327,500										
32	16" PVC Force Main	190,000	2007									
33	WWTP Improvement East Svc Area	3,343,982			3,343,962							
34	Total Utility Plant in Service (not includin		1000	\$10,954,239	\$14,298,201	\$14,298,201	\$14,298,201	\$18,450,775	\$18,450,775			
- •				4.4.44.204	1,00,00	v (∓,489,491	410,401	410,400,770	\$10,430,775	110,400,779	\$10,900,775	
	New Plant Assets per CIAC;											
35	New Plant Assats (CIAC)				5 0	8513.814	\$540.050	81 800 478	84 748 448	84 805 905		

30			\$0	\$513,816	\$580,059	\$1,690,476	\$1,745,418	\$1,805,305	\$1,870,581	
36	Total New Plant Assets (CIAC)	\$0-	50	\$513,816	\$1.073.875	12 764 361	\$4,509,760	\$8,315,073	\$8,185,654	
			•-	*****	• • • • • • • • • • • •		A sharefu an	44/4 (dia) 4	***	
37 To	tal Sewer Utility Plant in Service	\$10,954,239	814 208 201	\$14 812 DIT	\$16 373 07#	810 216 128	\$20,960,544	822 765 848	\$24,636,429	
				A149914-011	4 10,012,010	4 (9/2 10) 140	\$20,800,9 11	444,100,010	321,030,128	
JRCE: BUR	TON & ASSOCIATES									

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

							NCREASE									
		ANOUNT	- 111 355				HN.									
		DOUT	VICE	TO COM-	% DEST	ABBET	CAPACITY									
	ROJECT TOTAL	FUNDED PROJECT HAME	DATE	STRUCT	FUNDED		(1480)	1999	2000	2001	2002	2003	2004	2005		
	ater 👘															—
1	\$100,000	\$100,000 Pumping Equipment	2002	12	100%	20	2.00				100,000					
2	1,087,247	1,097,247 Trans and Dist Mains (Plant)	2002	12	100%	43	0.00				1,097,247					
3	10,000	10,000 Office Furniture and Equipment	2002	12	100%	15	0.00				10,000					
4	\$,000	5,000 Stores Equipment	2002	12	100%	18	0.00				5,000					
	2,500	2,500 Communication Equipment	2002	12	100%	10	0.00				2,500					
۰.	15,000	15,000 Organizations	2002	12	100%	40	0.00				15,000					
1	1,500,000	1,600,000 Water Plant- East Svc Area	2000	24	100%	26	1.93		1,500,000		l ^{an} tik kultura aktiva antikana				4	
•	\$2,725,747	\$2,729,747						\$0	\$1,500,000		\$1,228,747	10	20		50	_

- 7	14174.4	· · · · · · · · · · · · · · · · · · ·														
10	\$15,000	\$16,000 Organizations	2002	12 100	56	40	0.00			15,000						
n	257,500	257,600 Structures and Improvements	2002	12 100		32	0.00	*********		257,600					 	 ****
12	1,426,074	1,426,074 Collection Severs - Force	2002	12 100		30	0.00			1,426,074					 	
t)	\$0,000	\$0,000 Flow Measuring Devices	2002	12 100		5	0.00			50,000						
16	306,400	386,400 Pumping Equipment	2002	12 100	*	18	1.00			386,400		· · · · · · · · · · · · · · · · · · ·				
H	10,000	10,000 Office Furniture and Equipment	2002	12 100	*	15	0.00			10.000					 	
16	6,000	6,000 Stores Equipment	2002	12 100	*	18	0.00			5.000					 	
17	2,500	2,500 Communication Equipment	2002	12 100	*	10	0.00			2.500					 	
18	3,343,862	3.343,962 WWTP Improvement East Svc Are	1999	12 100	*	22	0.70	3,343,962							 	
19	\$5,405,536							\$3,343,962	\$C 1	25122574	\$0	30	54	30		
	TOTAL WATER	<u>A Sever</u> i												-		
20	\$4,226,283	\$8,225,283 TOTAL WATER AND DEVICE					• • •	FRANK S	\$1,800,000 1	2,152,574 \$1	221.747		-	30	 	

SOURCE: BURTON & ABSOCIATES / PBS6J

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03/13/2000

Figure 11

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>USED AND USEFUL</u>

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Plan

		<u>1999</u>	2000	2001	2002	2003	2004	2005
1	Water							
2	Cepecity							
3	Capacity in ERC's	5,057	5,057	10,571	10,571	16,286	16,286	16,286
4	Additional Capacity in ERC's	0	5,514	0	5,714	0	0	0
5	Total Capacity	5,057	10,571	10.571	16,286	16,286	16,286	16,286
		-	-	•				
6	Connection / Growth							
7	Connections in ERC's	5,506	5,506	5,763	6,043	6,867	7,719	8,600
8	Annual Growth Percent	0.00%	4.67%	4.86%	13.64%	12.40%	11.42%	10.63%
9	Additional Units	0	257	280	824	852	881	914
10	Total Connections	5,506	5,763	6,043	6,867	7,719	8,600	9,514
			•	,	.,		-,	51014
11	Raw U & U Percent	108.87%	54.51%	57.16%	42.17%	47.40%	52.81%	58.42%
12	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,472	2,555	2.644	2,742
13	Total Connections plus Margin Reserve	5,506	6,534	6,884	9,339	10,273	11,245	12,257
14	U & U Percent	100.00%	61.81%	65.12%	57.35%	63.08%	69.05%	75.26%
15	SEWER:							
16	Cepecity							
17	Capacity in ERC's	2,857	5,357	5,357	5,357	8,929	8,929	8,929
18	Additional Capacity in ERC's	2,500	0	0	3,571	. o	0	0
19	Total Capacity	5,357	5,357	5,357	8,929	8,929	8,929	8,929
20	•				-	• • •		-,
21	Connection / Growth							
22	Connections in ERC's	2,857	2,857	3,114	3,395	4,241	5,114	6.018
23	Annuel Growth Percent	0.00%	9.00%	9.00%	24.92%	20.60%	17.67%	15.56%
24	Additional Units - Eastern Service Area	0	257	280	306	333	363	398
25	Additional Units - Western Service Area	0	0	0	541	541	541	541
26	Additional Units - Total	0	257	280	846	874	903	936
27	Imputed ERC's from 1998 Rate Case			-				
28	Eastern Service Area Only	5,357	5,357	5,357	5,357	5,357	5,357	5,357
29	Total Connections	5,357	5,357	5,357	5,898	6,438	6,979	7,519
30					-,	-,	-,	
31	Raw U & U Percent	100.00%	100.00%	100.00%	66.05%	72.11%	78.16%	84.21%
32	PLUS: Margin Reserve @ 36 Mos.	0	771	841	2,538	2,621	2,710	2,808
33	Total Connections plus Margin Reserve	5,357	5,357	5,357	8,436	8,929	8,929	8,929
34	U & U Percent	100.00%	100.00%	100.00%	94.48%	100.00%	100.00%	100.00%
					/			

SOURCE: BURTON & ASSOCIATES

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Figure 14 Page 1 of 6

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Pl. n

						_		FYI	900				FY2	200		
	Lander		Orig Loan Amount	Orig Loan Date	Term	interest Rate	Beginning Balance	Principal	interest	Balance	Cost of Capital Calo	Beginning Belence	Principal	Interest	Balance	Cost of Capital Calc
1	First Union Bank	· · · · · · · · · · · · · · · · · · ·		and composite	1 44 1 14	7.27%	\$3,835,445	50	\$240.454	\$3,835,446	\$278,837	\$3,836,445	\$92,264	\$323,627	\$3,743,182	\$272,129
2	Plantation Developers - WTP		\$663,485	01/01/95	20		500,864	19,365	45,914	567,479	45,054	567,479	20.843	45,456	546.636	43,403
3	Plantation Developers- Unit 9		94.651	12/23/94	2		94,650		7,443	94,850	7.515	94,650	2.015	7.443	92,635	7,355
- 4	Croseroeds Land Ltd- Seaside Ut 2		109,535	12/23/94	2		100,002	2,857	7,989	97,145	7.713	97.145	3,179	7,765	93,966	7,481
- 5	Croseronds Land Ltd- Seaside Ut 3		128,650	03/26/95	20		121,143	3.257	9.331	117.846	9,030	117,800	3,493	9,095	114.393	8,762
	TAW Nursery, Inc.		112,847	12/23/94	20		110.651	2,460	8.820	108,201	8,591	108.201	2.636	8,641	106,686	8,382
7	BAT of Pain Valley - Tom West		40,147	06/30/95	20		38,007	1.053	2,702	38,954	2,613	36,954	1,123	2.632	36,831	2,533
	Odome Mill Ltd.		326.832		20		324,938	4,409	22,733	320,409	22,433	320,409	8.051	22,356	312.417	21,869
9	Marsh Dunes		96.517	04/09/96	20		96,517		6,110	95.517	6,110	96,517	0,001	6,110	98,517	6,110
10	Arvide- Sevmit Lakes (Offeite #1)		50,000		2		50,000	ň	3,406	50,000	3,405	50,000	ž	3,405	50,000	3,405
11	Avide- Sawmill Lakes (Offnite #2)		50,000		20		50,000	ă	3,289	50,000	3,290	50,000	š	3,249	50,000	3,290
12	Avida- Savmill Lakee Ut 1		464,918		20		450,792	11,861	31,225	439,131	30,256	439,131	12,419	30,467	426,712	29,400
13	Avide- Sawmill Lakes Ut 2		190.030		2		185,785	4,722	12,644	181,063	12,258	181,063	5.024	12,342	176.039	11,918
	Equity		0			10.00%	0	-,		101,005	12,200	101,000	0,044	14,374	170,030	11,018
15	New Debt- In Service:		-				•	-	•	•	•	v	•	•	v	u i
18		1999	0	•	20	8.50%	0	0	•	•		<u>ہ</u>	D	•		
17		2000	1,522,500		20		ŏ	ō	ň	ň	č	1,622,500	39,214	98,963	1.463.266	96,414
18		2001	0		20		ŏ	ő		ň	Ň	1,022,000			1,403,200	20,717
19		2002	3,433,056	l l	20		ŏ		ň	ň	č	Ň	Ň	š	ž	
20		2003	0	•	20		ŏ	ŏ	ō	ň	Ň	ň	Ň	Ň	Ň	
21		2004	Ō	1	20		ŏ	ō	ň	ň	ň	ň	ž	ž	Ň	
22		2005	0		20		õ	ő	ň	ň	ŏ	ň	Ň	ě	š	
23							•	•	•	•		•	•	•		4
- 24																
25		,														1
- 26																1
27																
- 26	New Debt- Construction Work in Pr				20	7.50%			D	٥	Ô	0		0	0	0
- 29		NO							-	•	•	-		•	•	
- 30			0			10.00%				0	0				0	0
- 31							\$6,044,794	\$49,855	\$403,065	\$5,994,940	\$437,108		\$190,201	\$551,702	\$7,327,179	\$522,432
32	Weighted Average Cost of C	apital									7.29%		<i></i>		4. 10g. 11. a	7.13%

SOURCE: BURTON & ASSOCIATES C1DATA1123VCIATESTIM-11FAMS312.WK4

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Figure 14 Page 2 of 6

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

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Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale Pf

						-		FY2	001				₽Ya	202		
	Lender First Union Bank		Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Balance	Principal	interest	C	Cost of Capital	Beginning Balance	Principal	interest	Balance	Cost of Capital
1						7.27%	\$3,743,182	\$103,552	\$320,849	\$3,639,630	Calc \$264,601	\$3,639,630	\$114,201	\$310,120	\$3,525,429	Celc \$256,299
- 1	Plentation Developers - WTP		\$663,486	01/01/95	20		546,636	22,500	43,739	524.076	41,612	524.076	24,418	41.861	499,859	39.673
3	Plantation Developers-Unit 9	•	94,651	12/23/94	20	7.04%	92,635	2,181	7,277	90,454	7,182	90,454	2,361	7,097	48,094	
- 1	Croseroade Land Ltd- Seaside Ut 2		109,535	12/23/94	20	7.94%	93,966	3,441	7,504	90,525	7,188	90,525	3,724	7,007		6,995
5	Crossroads Land Ltd- Seaside Ut 3	ł	128,650	03/28/95	20	7.86%	114,393	3,770	8,818	110,622	8,474	110.622	4.070		86,801	6,892
6	TAW Nursery, Inc.		112,847	12/23/94	20		105,566	2.862	8,425	102,714	8,155	102,714	3.067	8,519	106,553	8,162
	BAT of Paim Valley - Tom West		40,147	06/30/95	20	7.07%	35.831	1,205	2.550	34,626	2,448	34,626		8,190	99,627	7,910
	Odoms Mill Ltd.		326,832	09/25/95	20	7.00%	312,417	8.633	21,774	303,764	21,205	303,784	1,293	2,482	33,332	2,357
P	Marsh Dunes		96,517	04/09/95	20		96.517	2,461	6,036	94,036	6,952	94,038	9,258	21,150	294,526	20,617
10	Avids- Sawmil Lakes (Offsite #1)		50,000	09/12/96	20		50,000	1,216	3,365	48.784	3,322	48,784	2,643	5,877	91,393	5,785
11	Avide- Sawmil Lakee (Offeite #2)		50,000	02/17/07	20		50,000	1,249	3.253	48,751	3,322		1,302	3,282	47,482	3,234
12	Arvide- Sawmill Lakes Ut 1		454,918	05/19/97	20		428,712	13,302	29.584	413,410	28,484	48,751	1,334	3,168	47,417	3,120
13	Arvide- Seveniii Lakee Ut 2		190,030	09/06/97	20		176,039	5,375	11,991	170,664		413,410	14,248	28,638	399,161	27,502
- 14			0			10.00%		0,010	11,0001	170,004	\$1,554	170,864	5,750	11,616	164,014	11,165
15							-	•		U		U	0	0	0	0
16		1999	0		20	8.50%	D	٥		D		_	_			
17		2000	1,522,500		20		1,463,286	41,763	98,414	1,441,523			0	0	0	0
18	ł	2001	0		20		1,400,400	41,703	80,414	1,441,843	93,699	1,441,523	44,478	93,699	1,397,045	90,508
19	1	2002	3,433,066		20		ň			U A	2	0	0	0	0	0
20		2003	0		20		Ň	ž	, v	v.	0	3,433,056	68,423	223,149	3,344,633	217,401
21		2004	ó		20		ň		, v	U O	9	0	0	0	0	0
22		2005	Ō		20		ŏ	ŭ	, v	U O	0	0	0	0	0	0
23			-		**	0.00%	v	v	v	Q	0	Q	0	0	0	0
- 24																
- 25	1	1														
26																
27																1
- 26		ogress:			20	7.50%										
29		NO			20	7.00%			0	0	0			0	0	0
30		·	0			10.00%				_	_					
31		······································				10.0070		\$213,581			0				0	0
32	Weighted Average Cost of C	apital						4413,361	\$571,583	\$7,113,598	\$507,144		\$320,588	\$776,147	\$10,226,065	\$707,919
		•									7.13%					6.92%
	SOLIDON NUMBER ADDONUTE															

SOURCE: BURTON & ASSOCIATES C1DATA(125VCU/TESTIM-1)FAM6312/WK4

03/12/2000

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesele PI

						-		FY2	to:				PY2	004		
	Lender		Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Belance	Principal	interest	Balance	Cost of Capital Calo	Beginning Belence	Principal	Interest	Beience	Cost of Capital Cale
1	First Union Bank					7.27%	\$3,525,429	\$122,774	\$301,263	\$3,402,655	\$247,373	\$3,402,655	\$136,830	\$269,560	33,263,718	\$237,272
- 2	Plantation Developers - WTP		\$063,486	01/01/05	2		499,859	26,429	39,870	473,230	37,574	473,230	24,605	37,604	444,625	35,303
	Plantation Developers- Unit 9 Crossroads Land Ltd- Secolds Lt 2		94,651	12/23/94	20		88,094	2,555	6,903	85,539	6,792	85,539	2,765	6.093	82,774	6.572
- 2			109,535	12/23/94	20		86,801	4,031	6,914	82,770	6,572	\$2,770	4.363	6.542	78,406	6,225
2	Crossroeds Land Ltd- Seaside Ut 3		128,650	03/28/95	20		106,553	4,392	8,196	102,160	7,825	102,180	4,741	7,847	97,419	7,462
-	TAW Numery, Inc. BAT of Pain Valley - Tom West		112,847	12/23/94	20		99,827	3,341	7,935	98,287	7,645	96,267	3,816	7.880	92.671	7,358
- 1	Odoms Mil Ltd.		40,147	06/30/96	20		33,332	1,366	2,368	31,944	2,258	31,944	1.489	2,200	30,455	2,153
ő	Marah Dunes		325,832	09/25/95	2		294,528	9,927	20,480	284,800	19,922	284,800	10.644	19,763	273,955	19,177
- 10	Avide- Sawnii Lakes (Offaite #1)		96,517	04/09/95	20		91,393	2,815	5,704	88,577	5,607	88,577	2,999	5.521	85,578	5,417
11	Arvide- Sawmill Lakes (Officia #2)		50,000	09/12/98	20		47,482	1,393	3,191	46,069	3,130	40,069	1,491	3,093	44,598	3,037
12	Avide- Sawnii Lakes Ut 1	•	50,000	02/17/97	20		47,417	1,424	3,078	45,993	3,026	45,993	1,521	2,981	44,472	2,928
	Arvide- Sevmill Lakes Ut 2		464,018	06/19/97	20		399,161	15,262	27,625	363,900	26,451	363,900	16,347	26,539	367,553	25,324
14			190,030	09/08/97	20		184,914	8,152	11,214	158,762	10,748	158,762	6.581	10,745	152,180	10,303
16	New Cebt- In Service:		a			10.00%	0	0	0	D	0	0	0	0	0	0
16		1999									l l				-	
17		2000	1,522,500		2		0	0	0	0	0	0	0	0	0	0
18		2001	1,844,900		20		1,397,045	47,309	90,808	1,349,677	87,729	1,349,677	50,448	87,729	1,299,229	84,450
19		2002	3,433,056		20		0	0	0	0	0	0	0	0	0	0
20		2003	3,733,000		2		3,344,633	84,171	217,401	3,250,482	211,250	3,250,482	100,292	211,280	3,150,170	204,761
21		2004			2		0	0	0	0	0	0	0	0	0	0
22		2006	ŏ		2		0	0		0	0	0	0	0	0	0
23			•		44	0.50%	U	v	0	0	0	0	0	0	0	0
- 24																
25																
26																
27																
28	New Debt- Construction Work in Pr	ogrees:			20	7.50%			0	٥					_	
29	Include CWIP In WACC?	NO							•	v	v			0	0	0
30	New Equity		0			10.00%				0					-	
31								\$343.421	\$752,950	\$9.882.844	\$683,942		\$374,841	\$725,003	0	0
32	Weighted Average Cost of C	apital								+++,002,044	6.92%		#a/ 9,8 41	9/20,003	\$9,507,803	\$657,742
											9.92%					6.92%

SOURCE: BURTON & ASSOCIATES C:DATA(125)/CIATESTIM-19/AMS312.VM4

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Figure 14 Page 4 of 6 I

INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 2 - Intercoestal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale PI

Construint Life Sensible Lif 2 108,535 12/23/94 20 7.44% 78,400 4.722 8,223 73,884 6,861 Crossroade Land Life Sensible Lif 3 122,565 03/23/964 20 7.84% 97,44% 97,117 74,71 92,302 7,070 TAW Numery, Inc. 112,447 12/23/944 20 7.84% 97,41% 92,017 3,914 7,303 88,757 7,047 BX of Palm Valley - Tom West 40,147 08/25/95 20 7.07% 30,465 1,566 2,186 28,857 2,040 Gooms M& Lid. 328,832 08/25/95 20 7.07% 30,456 1,414 18,983 362,541 18,378 10 Avide- Sawmil Lakes (Offlate #1) 60,000 08/25/95 20 7.07% 30,456 1,414 8,983 32,344 5,2183 11 Avide- Sawmil Lakes (Offlate #2) 60,000 08/17/97 20 6,84% 44,472 1,624 2,878 42,848 2,819 12 Avide- Sawmil
7 Part Califier 37.27% 33.283,718 3140,333 \$279,116 3140,333 \$279,116 3140,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,114,333 \$228,116 \$3140,335 \$228,116 \$3140,335 \$228,116 \$3140,335 \$228,116 \$3140,335 \$228,116 \$3140,335 \$228,116 \$32,2464 \$32,2464 \$30,336 \$413,064 \$32,2464 \$32,845 \$416,155 \$33,36 \$413,064 \$32,2464 \$32,845 \$33,36 \$413,064 \$32,2464 \$335 \$122,3064 \$20 7,94% \$62,774 \$2,963 \$6,465 79,781 \$6,335 \$6,335 \$6,775 \$1,414 \$12,365 \$23,777 \$6,335 \$6,776 \$1,077 \$1,824 \$7,076 \$2,362 \$7,0776 \$3,914 \$7,3453 \$8,787 \$7,0076 8 TOP beth Valley - Tom West 40,147 082,056 20 \$7,076 \$3,0456 \$1,867 \$2,040 \$3,2845 \$1,061
3 Plantation Developer- Litt 9 00,001 30,101 30,301
4 Croseroads Lani Ld- Seeside Lt 2 100,355 122,304 20 7,44% 78,405 6,465 76,761 6,3851 5 Croseroads Lani Ld- Seeside Lt 3 128,650 322,845 20 7,44% 78,405 4,105 6,465 77,471 92,302 7,007 7 BAT of Pain Valley - Ton West 40,147 06/30/85 20 7,44% 82,671 3,914 7,368 88,757 7,047 8 Otom Mit Ld. 328,832 06/30/85 20 7,07% 30,455 1,566 2,155 28,857 2,040 9 Memh Dunee 90,517 04/30/85 20 7,07% 30,455 1,566 2,155 2,857 2,040 11 Avide- Sawmit Lakes (Offake \$1) 50,000 02/17/96 20 6,33% 86,573 3,164 5,328 82,541 18,373 11 Avide- Sawmit Lakes (Offake \$1) 50,000 02/17/97 20 6,35% 46,472 1,624 2,878 42,448 2,818 12 Avide- Sawmit Lakes (Offake \$2) 50,000 02/17/97 20
5 Crossroads Land Lid-Sesside Ut 3 122,047 322,047 34,000 4,722 0,223 73,884 6,883 6 TAW Nursery, Inc. 112,847 122,2305 20 7,895 67,419 5,117 7,41 92,302 7,000 6 TAW Nursery, Inc. 112,847 122,2304 20 7,44% 62,671 3,914 7,3684 48,757 7,007 7 BAT of Pain Vallay - Tom West 40,147 04/30765 20 7,0705 3,914 7,3684 48,757 7,007 8 Octoms M& Lid. 328,837 04/28/95 20 7,0705 27,3655 11,414 18,963 282,541 12,376 10 Avridas-Savenil Laise (Offaile #1) 50,000 09/12/96 20 6,33% 86,578 3,194 5,328 82,364 5,4253 11 Avridas-Savenil Laises (Offaile #2) 50,000 09/12/96 20 6,33% 86,578 3,194 5,328 82,364 2,428 11 Avridas-Savenil
6 TAW Namesry, Inc. 112,447 122,247 220 7,416 9,419 9,117 7,471 92,322 7,047 7 BAT of Pain Valuey - Tom West 40,147 122,247 122,247 22,044 20 7,4418 82,671 3,914 7,323 84,757 7,047 8 Odoms M8 Lid. 328,832 06/23/95 20 7,07% 30,455 1,596 2,158 28,857 2,060 9 Marsh Dunes 96,517 04/09/95 20 6,33% 85,573 3,104 5,326 82,344 5,215 10 Avride-Sawmil Laise (Offnite #1) 50,000 02/17/97 20 6,56% 44,508 1,566 2,948 42,948 2,819 12 Avride-Sawmil Laise (Offnite #2) 50,000 02/17/97 20 6,56% 44,72 1,624 2,878 42,948 2,819 13 Avride-Sawmil Laises Ut 2 190,030 06/19/97 20 6,56% 367,553 17,510 25,377 86,043
7 BAT of Patri Valley - Tom West 40,147 04/20/95 20 7.07% 50,017 5,019 7,053 46,757 7,044 8 Odoms M8 Ltd. 328,837 04/20/95 20 7.07% 30,656 1,566 2,156 28,857 2,040 9 Marin Durse 328,837 04/20/95 20 7.07% 20,557 3,164 5,328 42,541 18,372 2,040 9 Marin Durse 98,517 04/02/95 20 7.07% 20,557 3,104 5,328 42,2541 18,372 2,040 10 Arvida-Savemil Lakes (Offaits #1) 50,000 02/17/97 20 6,53% 44,472 1,624 2,868 42,048 2,813 12 Arvida-Savemil Lakes (offaits #2) 50,000 02/17/97 20 6,86% 44,472 1,624 2,878 42,848 2,819 13 Arvida-Savemil Lakes Ut 1 444,618 04/10/97 20 6,87% 16,014 10,3255 145,139 9,826
B Octome MII List. 320,832 09/25/95 20 7,0014 201,655 1,366 2,415 28,457 2,040 9 Merni Dunes 90,517 04/03/95 20 6,33% 85,678 3,104 5,226 42,344 5,215 10 Arvide-Sawmiii Lakes (Offinite #1) 50,000 06/12/26 20 6,33% 85,678 3,104 5,226 42,344 5,215 11 Arvide-Sawmiii Lakes (Offinite #2) 50,000 06/12/26 20 6,33% 46,678 3,104 5,226 42,344 5,215 12 Arvide-Sawmiii Lakes (Offinite #2) 50,000 02/17/97 20 6,63% 44,472 1,624 2,878 42,644 2,818 13 Arvide-Sawmiii Lakes Ut 1 464,618 06/10/97 20 6,80% 36,753 17,510 25,377 360,043 24,118 14 Equity 0 10,00% 0 0 0 0 0 0 0 0 0 0 </td
9 March Dunse 96,517 04/03/95 20 6.33% 85,578 3,184 5,235 82,578 11 10,774 10 Avidas-Savmill Laises (Offnite #1) 50,000 02/12/95 20 6.33% 85,578 3,184 5,235 82,384 6,215 11 Avidas-Savmill Laises (Offnite #2) 50,000 02/17/97 20 6,56% 44,472 1,624 2,878 42,248 2,218 12 Avidas-Savmill Laises U1 464,916 06/19/97 20 6,36% 367,553 17,510 25,377 360,043 24,118 14 Equily 0 </td
10 Arvida- Savarill Lakes (Offinite #1) 50,000 00/12/96 20 6.81% 44,508 1,505 2,466 43,003 2,128 11 Arvida- Savarill Lakes (Offinite #2) 50,000 02/17/97 20 6.81% 44,472 1,624 2,478 42,448 2,818 12 Arvida- Savarill Lakes Ut 1 464,918 02/17/97 20 6.86% 44,472 1,624 2,878 42,448 2,818 13 Arvida- Savarill Lakes Ut 1 464,918 02/19/97 20 6.87% 347,653 17,510 25,577 560,043 24,118 14 Equity 0 0 0 0 0 9,825 15 New Debi- In Service: 0 10.07% 0
11 Arvida-Saumil Lakee (Offinite #2) 50,000 02/17/97 20 6.56% 44,472 1,624 2,878 42,848 2,819 12 Arvida-Saumil Lakee Ut 1 464,918 06/19/97 20 6.56% 347,653 17,510 25,377 350,043 24,116 13 Arvida-Saumil Lakee Ut 2 190,030 06/08/97 20 6.77% 152,180 7,041 10,325 145,139 9,626 14 Equity 0
12 Arvida-Savmil Lakes U.1 464,918 Op/19/97 20 8.89% 347,653 17,510 25.377 360,043 24,118 13 Arvida-Savmil Lakes U.2 190,030 06/05/97 20 8.89% 347,653 17,510 25.377 360,043 24,118 14 Equity 0
13 Arvida- Sanvnill Lakes Ut 2 190,030 06/08/97 20 6.77% 152,180 7,041 10,325 145,139 9,838 14 Equity 0 10.00% 0
14 Equity 0 10.00% 0 <t< td=""></t<>
To New Debi in Service: 16 19 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
17 2000 20 8.0% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
1,522,500 20 8,50% 1,299,229 53,727 84,450 1,245,502 a0 95a
3, 33, 55, 550 20 8,50% 3,150,170 108,511 204,761 3,043,360 197,818
22 2005 0 20 6.50% 0 0 0 0 0 0 0
24
24 25
26
27
28 New Debt- Construction Work in Progress: 20 7.50% 0 0 0
29 Include CWIP in WACC? NO 0 0 0
30 New Equity 0 10.00% 0 0
32 Weighted Average Cost of Capital 600,000 800,000

SOURCE: BURTON & ASSOCIATES CIDATA123NCATESTIM-1FAM5312.WK4

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Figure 14 Page 5 of 6

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INTERCOASTAL UTILITIES WATER & SEWER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocatee's JEA Wholesale PI

	Lender		Orig Loan					
1	First Union Bank		Amount	Orig Loan Date	Term	Interest Rate		
						7.27%		
	Plentation Developers - WTP		\$663,486	01/01/95	20	7.94%		
- 3	Plantation Developera-Unit 9	_	94,651	12/23/94	20	7.94%		
- 4	Crossroads Land Ltd- Sesside Ut 2	•	109,536		20	7.94%	•	
- 5	Crossroads Land Ltd- Seaside Ut 3		128,650					
6	TAW Nursery, Inc.				20	7.00%		
7	BAT of Paim Valley - Tom West		112,847		20	7.94%		
- i	Odome Mil Ltd.		40,147		20	7.07%		
	Laura Dana		326,832		20	7.00%		
	Marsh Dunes		96,517	04/09/96	20	6.33%		
10	Avida- Sawnit Lakes (Offsite #1)		50,000		20	6.81%		
- 11	Arvida- Sawnii Lakes (Offsite #2)		50,000		20	6.56%		
12	Avide- Sawmil Lakes Ut 1		464,918					
13	Arvide- Smarnill Lakes Ut 2				20	6.89%		
14	Equity		190,030		20	6.77%		
46	New Dabl- in Service:		0	ł		10.00%		
	NAM CHOICE IN CRIMICS:							
18		1999	0		20	6.50%		
17		2000	1,522,500		20	6.50%		
18		2001			20	6.50%		
- 19		2002	3,433,056		20			
20		2003	3,433,000		20	6.50%		
21		2004	U		20	6.50%		
22		2005	0		20	6.60%		
23		2005	0		20	6.50%		
24								
							1	
25 26		•						
27								
28	New Debl- Construction Work in Pro	TRANT				-		
29	Include CWIP in WACC?				20	7.50%		
30		NO						
31	INTRA Education					10.00%		
- 32	Weighted Average Cost of Ci	a pital						

SOURCE: BURTON & ASSOCIATES C:DATA125VCLATESTIM-19FAM5312.WK4

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Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES WATER & SEWER SYSTEM <u>Weighted Average Cost of Capital Analysis</u>

Scenario 2 - Intercoastal Utilities Water and Sewer Rates with Nocates's JEA Wholesale Pf

Lorder	Orig Loan Amount	Orig Loan Date	Term	Interest Rate	
First Union Bank				7.27%	
Plantation Developers - WTP	\$663,486	01/01/05	20	7.94%	
Plantation Developers- Unit 9	94,051	12/23/94	20	7.94%	
Crossroads Land Ltd- Seaside Ut 2	109,535	12/23/04	20	7.94%	
Crossronde Land Ltd- Senside Ut 3	128,650	03/28/06	20	7.00%	
TAW Nursery, Inc.	112,847	12/23/04	20	7.94%	
BAT of Paim Valley - Tom West	40,147	06/30/96	20	7.07%	
Odome Mill Ltd.	326,832	09/25/95	20	7.00%	
Marsh Dunes	96,517	04/09/98	20	6.33%	
Arvida- Sawmill Lakes (Offeite #1)	50,000	09/12/96	20	6.81%	
Arvida- Savmill Lakas (Offsite #2)	50,000	02/17/97	20	8.54%	
Arvida- Savmill Lakes Lt 1	464,918	06/16/97	20	8.89%	
Arvide- Sevenil Lakes Ut 2	190,030	09/08/97	20	8.77%	
Equity	0			10.00%	
New Debl- In Service:					
1999	0		20	6.50%	
2000	1,522,500		20	0.50%	
2001	0		20	6.50%	
2002	3,433,066		20	6.50%	
2003	0		20	6.50%	
2004	0		20	6.50%	
2005	0		20	6.50%	
New Dable Construction Minute In Street					
New Debt- Construction Work in Progress;			20	7.50%	
include CWIP in WACC? NO					
New Equity				10.00%	

32 Weighted Average Cost of Capital

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SOURCE: BURTON & ASSOCIATES

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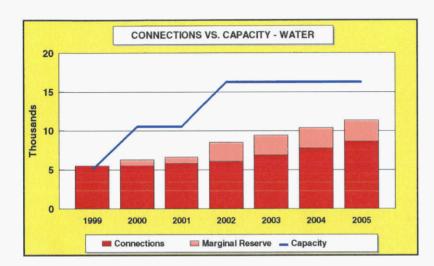
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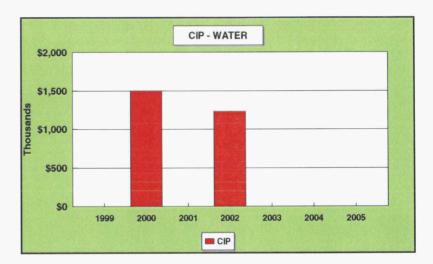
INTERCOASTAL UTILITIES WATER SYSTEM GRAPHS OF KEY INDICATORS

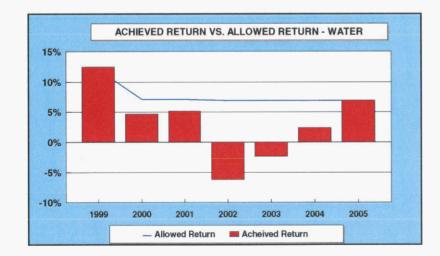
Scenario 2 - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan

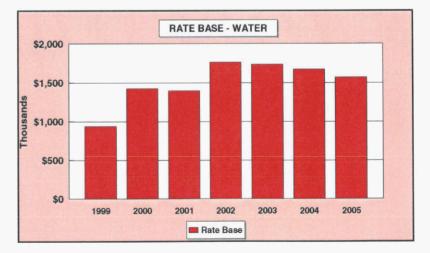
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SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM-1\FAMS312\WK4

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Figure 15

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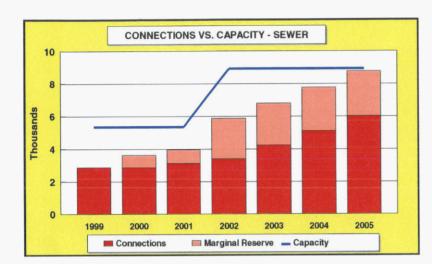
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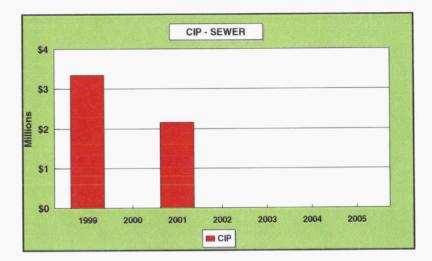
INTERCOASTAL UTILITIES SEWER SYSTEM GRAPHS OF KEY INDICATORS

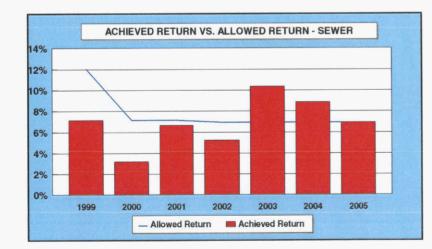


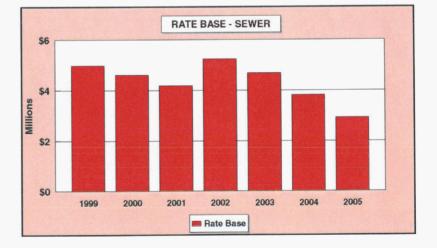
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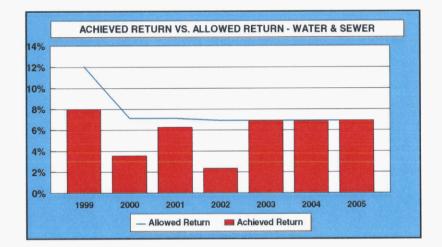
SOURCE: BURTON & ASSOCIATES C:\DATA\123\JCU\TESTIM-1\FAMS312.WK4

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INTERCOASTAL UTILITIES WATER AND SEWER SYSTEM GRAPHS OF KEY INDICATORS

Scenario 2 - ICU Water and Sewer Rates with Nocatee's JEA Wholesale Plan



Appendix 3

INTERCOASTAL UTILITIES

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Scenario 3

Reclaimed Water Rates

This scenario determines the reclaimed water rates of Intercoastal Utilities implementing Intercoastal's plan to meet the reclaimed water demands of the projected growth in the area for which Intercoastal's service area extension application is filed.

Figure Number	Title
Figure 1	Summary
Figure 2	Assumptions
Figure 3	Pro-Forma Income Projections - Reclaimed Water
	System
Figure 4	Not Used
Figure 5	Depreciation Schedule - Reclaimed Water
Figure 6	Not Used
Figure 7	Contributions in Aid of Construction (CIAC) -
	Reclaimed Water
Figure 8	Not Used
Figure 9	Rate Base
Figure 10	Utility Plant in Service - Reclaimed Water
Figure 11	Capital Improvements Program
Figure 12	Not Used
Figure 13	Used and Useful
Figure 14	Weighted Cost of Capital Analysis
Figure 15	Graphs of Key Indicators - Reclaimed Water System
Figure 16	Not Used
Figure 17	Not Used

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INTERCOASTAL UTILITIES

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>SUMMARY</u>

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

1	Reclaimed Water	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2	Rate Plan				0.0%	-4.0%	-12.7%	-10.7%	-9.1%	0.0%	0.0%	-1.5%
3	Achieved Return	Children of the local state		The same south a second	6.50%	6.50%	6.50%	6.50%	6.50%	4.07%	5.06%	6.50%
4	Allowed Return	No. A CONTRACTOR OF STREET, ST			6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
5	Avg Mo.Cost / ERC				\$16.17	\$15.52	\$13.55	\$12.11	\$11.00	\$11.00	\$11.00	\$10.84
6	Achieved Return (Millions)				\$0.248	\$0.231	\$0.214	\$0.198	\$0.181	\$0.177	\$0.203	\$0.238
7	Allowed Return (Millions)				\$0.248	\$0.231	\$0.214	\$0.198	\$0.181	\$0.282	\$0.260	\$0.238
8	Rate Base (Millions)				\$3.817	\$3.558	\$3.299	\$3.041	\$2.782	\$4.346	\$4.004	\$3.665

SOURCE: BURTON & ASSOCIATES C:\DATA\123\ICU\TESTIM~1\FAMS312.WK4

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM **ASSUMPTIONS**

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

	Assumptions	Actual <u>1998</u>	Actual <u>1999</u>	Projected 2000	Projected 2001	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007	Projected 2008	Projected 2009
		1330	1995	ASCOL	2001	<u> </u>	AVVY	AVVT					
	Reclaimed Water						3,449	3,449	3,449	3,449	3,449	8,622	8,622
	Capacity in ERC's					2 449			5,0	0,110	5,172	0	0
2	Additional Capacity in ERC's					3,448	0			-	8,622	8,622	8,622
3	Total Capacity					3,449	3,449	3,449	3,449	3,449			290
4	GPD = 1 ERC					290	290	290	290	290	290	290	
5	Connected ERC's						2,817	3,417	4,018	4,618	5,219	5,964	6,710
6	Additional Connected ERC's												
7	Walden Chase					89	89	89	89	89	89	89	89
8	Marsh Harbour					14	14	14	14	14	14	14	0
9	Nocatee					2,713	498	498	498	498	643	643	643
10	East Svc Area					0	0	0	0	0	0	0	0
11	Total Additional Connected ERC's					2,816	601	601	601	601	746	746	732
12	Total Connected ERC's		· ·			2,817	3,417	4,018	4,618	5,219	5,964	6,710	7,441
13	Percent Growth In Connected ERC's						21.32%	17.57%	14.95%	13.00%	14.29%	12.50%	10.90%
14	Percent of Growth Applied to Expenses					25.00%	25.00%	25.00%	25.00%		25.00%	25.00%	25.00%
15	Effective Multiplier for Growth						5.33%	4.39%	3.74%	3.25%	3.57%		2.73%
16	Inflationary Multiplier					1.50%	1.50%	1.50%	1.50%		1.50%		1.50%
17	Growth and Inflationary Multiplier						6.83%	5.89%	5.24%	4.75%	5.07%	4.63%	4.23%

18	<u>New Debt Assumptions</u>		
19			
20	Term	20	
21	Issuance Costs	1.50%	
22	Interest Rate	6.50%	

23	O&M Reserves	Months	Percent of Annual O&M
24 25	<u>Water</u> Minimum Reserves Level	1.5	12.50%
26 27	<u>Rates . & Charges</u> Current Service Availability Charge	\$234	

SOURCE: BURTON & ASSOCIATES C:\DATA\123\CU\TESTIM~1\FAMS312.WK4

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM PRO-FORMA INCOME PROJECTIONS - RECLAIMED WATER SYSTEM

Scenario 1R - Intercoastal Utilities Recialmed Water Rates w/ Intercoastal Capital Plan

	Projected	Projected	Projected	Prejected	Projected	Projected	Projected	Projected	Projected	Projected
1999	2020	2001	2002	2002	2004	2005	2005	<u>2007</u>	2001	2008
									8787 404	\$885,93
				\$545,401						10.90
										96,5
										\$982.
								2/0/,40%		-1.5
										(14.7
			\$546,401	(26,513)	(94,857) \$653,366	(80,100) \$570,925	(89,111) \$899,057	5787,494	\$985,831	\$967
			50	\$0	50	\$0	\$0	\$0		
					Ö	Ö	0	0		
	· · · · · · · · · · · · · · · · · · ·				50		30	50	\$0	
			\$548,401	\$636,385	\$653,366	\$570,825	\$669,057	\$757,494	\$885,931	\$967,
								ADD 207	831 805	\$32.
										5311
										43
							135,000			100
										(17
			(34,014)	(14,500)	(14,309)	(14,000)	(14,000)	(10,010)	6	
			U		v			EAR WA		158
			\$154,010	\$340,575	\$328,336	\$315,870	\$303,409	\$336,194	\$367 185	\$407
			50	20	\$0	\$0	\$0	\$0	\$0	
			õ	Ď	ō	Ö	0	0	0	
			Ó	(730)	(707)	(796)	(826)			(1
			0	(102)	(106)	(110)	(114)	(149)	(154)	
			(104,385)	(108,684)	(113,004)	(117,324)	(121,644)	(158,284)	(163,304)	(100
			(\$104,365)	(\$109,524)	(5113,077)	(\$118,230)	(\$122,584)	(\$150,507)	(\$164,566)	(\$10)
			\$246,019	\$231,283 \$0	\$214,409 \$0	\$197,040 \$0	\$100,025 \$0	\$0	\$0	
			0	0	ņ	0	0	0	0	
								\$178.687		\$238,
			•	\$3,559,202	\$3,299,360	\$3,040,609	\$2,781,828	\$4,345,084	\$4,003,971	\$3,665
			4.50%	6.50%	6.50%	6.50%	6.50%	4.07%	5.08%	6
							0.3070			
			6.50%	6.50%	8,50%	6.50%	8.50%	6.50%	6.50%	č
				\$0 	0.00% -4.00% 0 (26,813) 8548,401 8535,385 30 30 0 0 30 30 30 30 314,014 324,586 3340,587 3352,383 3352,383 3352,383 3352,383 3350,807 3352,383 3350,807 3352,383 3350,807 3352,383 3350,807 3352,383 3350,807 3352,383 3350,807 3352,383 3352,383 3352,383 3352,383 30 30 0 0 0 0 0 0 0 0 0 0 0 0	21,32% 17,87% 114,447 111,138 8548,401 8652,868 8748,223 0,00% 4,00% 7,12,85% 0 (20,513) (64,457) 8546,401 8556,385 8653,366 0 0 0 10 90 90 10	21.3256 116,487 116,258 116,487 116,258 0.0055 4.0055 12.0255 0.0055 4.0055 12.0255 0.0055 4.0055 12.0255 0.0055 4.0055 12.0255 0.0055 4.0055 12.0255 0.005 350 350 350 350 350 350 350	213256 73756 14.895 13.005 16.807 111.808 87.843 12.605 37.817.85 0.005 4.005 12.605 10.675 4.125 0 0.805 4.005 12.605 10.675 4.125 0 0.813 (44,657) (46,150) (40,150) (40,150) 9 0 0 0 0 0 0 0 9 30 30 30 30 30 30 30 9 30 30 30 30 30 30 30 9 30 30 30 30 30 30 30 9 30 30 30 30 30 30 30 9 30 30 30 30 30 30 30 9 30 30 30 30 30 30 30 13.006 1328,628 326,000	21,325 77,37% 14,995 13,005 14,235 97,850<	21.22% 17.27% 17.489 87.4489% 13.00% 14.29% 12.50% 12.40% 114,407 111,50 87.469 87.243 04.437 88.437 86.437 88.2588 57.489 87.48.25 57.51,025 57.51,188 57.74,44 3885,531 8.00% 4.00% 12.40% 10.10% 0.00% (90,111) 0 0 0 9.544,401 9836,386 9833,386 9870,325 9888,087 37.67,444 3885,531 50 50 50 50 50 50 50 50 50 50 50 50 50 5

50 Restatement of Net Income Before Income Tax 57 LESS: Interest Expense - Water 58 Taxable Income - Water (2)

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(1) Allocation percentage based upon current weter rate base as a percentage of total rate base.

(2) For simplicity, taxable income is calculated separately for water and watewater, however, the tax return would be filed on a consolidated basis. Furthermore, taxable income is not advect to go negative in this model for water or watewater. Negative taxable income is other system could offset taxable income in the other system and a net negative taxable income would result in tax predits that could potentially be carried forward or beok.

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM DEPRECIATION SCHEDULE - RECLAIMED WATER

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

Reclaimed Water

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Existing Asset Depreciation

Existing Assets	Year	Estimated Original Cost		
1 Franchises	T CAL	Criginal Cost	CILE (TOUIS)	
2 Structures				
3 Wells & Springs			-	
4 Other Pumping				
5 Pumping Equip		-	-	
6 Other Water Source Plant		•	•	
7 Structures & Improvements		-	-	
6 Treatment			•	
9 Dist Reservoirs		-	-	
O Mains		•	•	
1 Services		•	•	
2 Meters		-	-	
3 Hydrants		-	-	
4 Other T&D		-	•	
5 Supply Mains		•	•	
8 General		-	•	
7 Fumiture '		•	•	
8 Power Equip		-	-	
9 Misc Equip		-	-	
D Acquisition		•	-	
1 Total Estimated Original Cost		-		
2 Adjustment to 1998 Annual Report Utility Plant In Service		-		
3 Total Utility Plant In Service		•		
Depreciation Schedule - Existing Assets	100		2001	

Depreciation Schedule - Edisting Assets	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
24 Franchises		•	•	•	-	-	•	-	•	-	•
25 Structures	•	-	-	-	•	•	-	-	•	•	-
26 Wells & Springs	-	-	•		-	-	•	-	-	-	-
27 Other Pumping	•	-	-	-	•	•	-	•	-	-	-
28 Pumping Equip	-	•	-	•	•	-	-	•	•	•	-
29 Other Water Source Plant	•	-	•	-	-	-	•	-	•	-	•
30 Structures & Improvements		•		•	•	•	-	•	-	•	-
31 Treatment		-		-	-	-	•	-	-	-	-
32 Dist Reservoirs	-	•	-	•	•	-	-	-	•	•	-
33 Mains		-	•	-	-	-	-	-	•	•	•
34 Services			-	-	-	-	•		-	•	-
35 Meters	-	•	•	•		-	-	•	-	-	-
36 Hydrants		-	-		-	•	-	•	-	-	-
37 Other T&D	•	-		-	•	-	•	-	•	-	-
38 Supply Mains	-		-	-		•	-	-	-	-	•
39 General	-	-	•	•	•	-	-	-		•	•
40 Fumiture		-	-		-	-	•	-		-	-
41 Power Equip		-				-	-	-		•	-
42 Misc Equip		•	-			•	-	•		-	-
43 Acquisition	•	-	-	-	-	-	-	-	-	-	-
44 Total Existing Depreciation	-		•		•		-		•		•
45 Adjustment to Reconcile to Accounting Records		-	-		-		•	-	-	-	-
46 Total Edisting Depreciation	· ·	-	· · ·	•	•	•	-	•	•	•	•

SOURCE: BURTON & ASSOCIATES

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM DEPRECIATION SCHEDULE - RECLAIMED WATER

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

Reciaimed Water

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New Asset Depreciation

			Estimated	
	New Assets	Year		Life (Years)
1	16" PVC Outfall / Xfer (50% Cost)	2002	\$360,000	45
2	12" ICWW Crossing	2002	300,000	45
3	ICU - East Reclaim P.S.	2002	250,000	25
4	3.0 MG Reclaimed Storage Reservoir	2002	1,100,000	41
5	Reclaimed Water P.S.	2002	500,000	25
6	24" PVC Reclaimed Water Main	2002	360,000	45
7	16" PVC Reclaimed Water Main	2002	456,000	45
8	8" PVC Reclaimed Water Main	2002	288,000	45
9	Engineering & Contingency	2002	903,500	30
10	16" PVC Reclaimed Wtr Main	2007	304,000	45
11	Expand Reclaimed Wtr P.S.	2007	100,000	20
12	3.0 MG Reservoir	2007	1,100,000	41
13	Engineering & Contingency	2007	376,000	30

D	Depreciation Schedule - New Assets	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008_	2009
14 -	16" PVC Outfall / Xfer (50% Cost)		-	-	-	\$4,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
15	12" ICWW Crossing		-	-	-	3,333	6,667	6,667	6,667	6,667	6,667	6,667	6,667
16	ICU - East Reclaim P.S.		-	-	-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
17	3.0 MG Reclaimed Storage Reservoir		•	-	-	13,415	26,829	26,829	26,829	26,829	26,829	26,829	26,829
18	Reclaimed Water P.S.		-	•	-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
19	24" PVC Reclaimed Water Main		•	•	-	4,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
20	16" PVC Reclaimed Water Main		-	-	-	5,067	10,133	10,133	10,133	10,133	10,133	10,133	10,133
21	8" PVC Reclaimed Water Main		•	-	-	3,200	6,400	6,400	6,400	6,400	6,400	6,400	6,400
22	Engineering & Contingency		•	•	-	15,058	30,117	30,117	30,117	30,117	30,117	30,117	30,117
23	16" PVC Reclaimed Wtr Main		•	-	-		-			•	3,378	6,756	6,756
24	Expand Reclaimed Wtr P.S.		-		-	•	-	-	-	-	2,500	5,000	5,000
25	3.0 MG Reservoir		-	•	-	•	-	-	•	-	13,415	26,829	26,829
26	Engineering & Contingency			-	-	-	-		-		6,267	12,533	12,533
47	CIAC Plant		•	-	-	23,012	9,816	9,816	9,816	9,816	12,187	12,187	11,958
48 T	otal New Depreciation		-	•	•	\$86,085	\$135,962	\$135,962	\$135,962	\$135,962	\$163,892	\$189,451	\$189,222
I	otal Depreciation - Reclaimed Water												
49 T	otal Existing Depreciation		-				-	-		-	-		-
	otal New Depreciation		•	-	-	86.085	135,962	135,962	135,962	135,962	163,892	189,451	189,222
	otal Depreciation		+	•	•	\$86,085	\$135,962	\$135,962	\$135,962	\$135,962	\$163,892	\$189,451	\$189,222
52 A	Accumulated Depreciation	•	-	-	-	\$86,085	\$222,047	\$358,010	\$493,972	\$629,934	\$793,826	\$983,276	\$1,172,498
SOURC	E: BURTON & ASSOCIATES												

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER</u>

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

Reclaimed Water - Existing CIAC

Existing CIAC

	·		Estimated	
	Existing CIAC- Plant	Year	Original Cost	Life (Years)
1	Other	1989	*	-
2	Dist Reservoirs & Standpipes	1992	•	-
3	Transmission & Dist Mains	1988	-	-
4	Services	1990	-	-
5	Moters & Moter Instalis	1992	-	-
6	Hydrants	1990	-	-
7	Total Existing CIAC - Plant		-	

	Existing CIAC - Ceeh	Mana	Estimated	1 1/2 (1/2)
		Year	Original Cost	
8	Çash	1991	-	-
9	Total Existing CIAC - Cash		•	
10	Total Existing CIAC		-	
11	Adjustment to 1998 Annual Report		-	
12	Total Existing CIAC		-	

Amortization of Existing CIAC

Amortization Schedule - Existing Plant CIAC	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
13 Other	-	-	-		-	-	-	•	•	•	
14 Dist Reservoirs & Standpipes	-	-	-	-	-	-	-	•	•	•	-
15 Transmission & Dist Mains	-	-	-	-	-	-	-	•	-	-	-
16 Services	•	-	-	•	-	-	-	•	•	•	•
17 Meters & Meter Installs	-	•	-	-	-	•	-	•	-	-	-
18 Hydrants	-	•	•	-	•	-	-	-	-	-	
19 Total Plant Amortization	-	•	•	•	•	-	•	-	-	-	-
Amortization Schedule - Existing Cash CIAC											
20 Cash	•	-	-	-	-	•	-	-	-	-	-
21 Total Cash CIAC Amortization	-	-	•	•	•	•	-	•	•	-	-
22 Total Edsling CIAC Amortization	-	-	-	-	-	-	-		-	-	-

 22 Addit Esting CAC Amortization
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SOURCE: BURTON & ASSOCIATES C1DATA1/239CUATESTIM-19FAM53123WK4

Figure 7 Page 2 of 2

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC) - RECLAIMED WATER</u>

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

	New CIAC												
			1999	2000	2001	2002	2003	2004	2005	2006	<u>2007</u>	2008	2009
	New CIAC- Plant:	CIAC PER Life ERC											\$343,532
1	Transmission & Dist Mains	43 \$469.63	•	-		\$1,322,233	\$282,011 \$60,980	\$282,011 \$60,980	\$282,011 \$60,980	\$282,011 \$60,980	\$350,108 \$75,705	\$350,106 \$75,705	\$74,283
23	Services Meters & Meter Instalis	40 \$101.55 20 \$32.91	•	-		\$285,911 \$92,657	\$19,762	\$19,762	\$19,762	\$19,762	\$24,534	\$24,534	\$24,073
- 4	Hydrants	45 \$55.85	-	-	•	\$157,243	\$33,537	\$33,537	\$33.537	\$33,537	\$41,635	\$41,635	\$40,853
5	Total New CIAC - Plant	· · · · · · · · · · · · · · · · · · ·	-	•	-	\$1,858,044	\$396,290	\$396,290	\$396,290	\$396,290	\$491,981	\$491,981	\$452,742
6	New CIAC - Cash;						A. 40 707	6440 787	\$140,787	\$140,787	\$174,782	\$174,782	\$171,500
8	New CIAC - Cash Life	30	•	-	-	\$660,094	\$140,787	\$140,787	\$140,707	\$140,101	4174,74L	-	• · · · •
9	Total New CIAC - Cash			-		\$660,004	\$140,787	\$140,787	\$140,787	\$140,787	\$174,782	\$174,782	\$171,500
10	Total New CIAC		•	•	-	\$2,518,138	\$537,078	\$537,078	\$537,078	\$537,078	\$666,763	\$666,763	\$654,242
	Amortization of New CIAC												
	Amortization Schedule - New CIAC Assets		<u>1999</u>	2000	2001	2002	2003	2004	2005	2005	2007	2005	2009
	New CIAC - Plant Amortization											\$8,142	\$7,989
	Transmission & Dist Mains Services		-	-	•	\$15,375	\$6,558 \$1,525	\$6,558 \$1,525	\$6,558 \$1,525	\$6,558 \$1,525	\$8,142 \$1,893	50, 142 \$1,893	\$1,857
14	Meters & Meter Installs		-	:	:	\$3,574 \$2,316	\$1,625 \$986	\$1,525	\$1,020	\$988	\$1,227	\$1,227	\$1,204
15	Hydrants		-	-	-	\$1,747	\$745	\$745	\$745	\$745	\$925	\$925	\$908
16	Total New CIAC - Plant Amorization	<u></u>	•	-	-	\$23,012	\$9,816	\$9,816	\$9,818	\$9,815	\$12,187	\$12,187	\$11,968
	New CIAC - Cash Amorization		-		-	\$11,002	\$4,693	\$4,693	\$4,693	\$4,693	\$5,826	\$5,826	\$5,717
17	Total New CIAC - Cash Amortization		-	-	-	\$11,002	\$4,693	\$4,693	\$4,693	\$4,693	\$5,826	\$5,826	\$5,717
18	Total New CIAC Amortization		-	•	-	\$34,014	\$14,509	\$14,509	\$14,500	\$14,509	\$18,0 13	\$18,013	\$17,874
	Summary of CIAC & CIAC Amortizatio												
19	CIAC Total Existing CIAC	Existing 1998	1999	2000	2001	2002	2003	2004	2006	2006	2007	2008	2000
20	Total New CIAC	-	-			\$2,518,138	\$537.078	\$537,078	\$537,078	\$537,078	\$666,763	\$666,763	\$654,242
21	Total Accumulated CIAC - Water	-	-	-	-	\$2,518,138	\$3,055,216	\$3,592,294	\$4,129,371	\$4,666,449	\$5,333,212	\$5,999,976	\$6,654,217
22	CIAC Amortization Total Edisting CIAC Annual Amortization		, <u>.</u> ,			· · · · -						•	
23	Total New CIAC Annual Amortization		-	•	-	34,014	14,509	14,509	14,509	14,609	18,013	18,013	17,674
24	Total CIAC Annual Amortization - Water		-	•	-	\$34,014	\$14,509	\$14,509	\$14,509	\$14,509	\$18,013	\$18,013	\$17,074
25	Accumulated CIAC Amortization	•	-	-	•	\$34,014	\$48,523	\$63,032	\$77,541	\$82,051	\$110,063	\$128,076	\$146,750

SOURCE: BURTON & ASSOCIATES CIDATAX123VCIATESTIM-1VFAM8312.WR4

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>RATE BASE</u>

Scenario 1R - Intercoastal Utilities_Reclaimed Water Rates w/ Intercoastal Capital Plan

		1999	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
1	Recleimed Water Percent Contributed				39%	46%	52%	57%	62%	55% \$10,332,687	60% \$10,824,668	64% \$11,307,409
2	Utility Plant in Service				\$6,375,544	\$6,771,835	\$7,168,125	\$7,554,416	\$7,960,706	\$10,332,001	\$10,024,000 0	0
3	Include Construction Work in Progress? NO				0	0	0	0	0	(100 BOD)	(983,276)	(1,172,498)
4	Less: Accumulated Depreciation				(86,085)	(222,047)	(358,010)	(493,972)	(629,934)	(793,826)	\$9,841,391	\$10,134,911
5	Utility Plant In Service less Accum Depr.				\$6,289,459	\$6,549,787	\$6,810,118	\$7,070,444	\$7,330,772	\$9,538,861	(5,999,975)	(6,654,217)
6	Less: Accumulated CIAC				(2,518,138)	(3,055,216)	(3,592,294)	(4,129,371)	(4,666,449)	(5,333,212)	128,076	145,750
7	Plus: Accumulated Amortization of CIAC				34,014	48,523	63,032	77,641	92,051	110,053	\$3,969,492	\$3,626,444
8	Net Utility Plant In Service				\$3,805,335	\$3,543,094	\$3,280,854	\$3,018,614	\$2,766,374	\$4,315,712	93, 909, 492	40,040,444
9	Plus or Minus:											
10	Acquisition Adjustments											
11	Accumulated Amort of Acq Adjustments									~~ ~~~	24 480	38,999
12	Working Capital Allowance 12.50% of O&M				11,788	15,107	18,512	21,995	25,555	29,972	34,480	00,000
13	Other				0	0	0	0	0			33,668,443
14	Net Utility Plant in Service				\$3,817,123	\$3,558,202	33,299,366	\$3,040,809	\$2,781,928	\$4,345,684	\$4,003,871	40,000,000
					100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
15	U&U Percentage									\$4,345,684	\$4,003,971	\$3,665,443
16	Rate Base				\$3,817,123	\$3,558,202	\$3,299,366	\$3,040,609	\$2,781,928	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		

SOURCE: BURTON & ASSOCIATES CNDATA1123VCLATESTIM~1VFAMS312.WK4

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>UTILITY PLANT IN SERVICE - RECLAIMED WATER</u>

Reclaimed Water

		Estimated Origina Cost	in Svo Date	1992	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	<u>2008</u>
1 2 3 4 6 6 7 8	New Assets per CHP: 16° PVC Outhal / Xier (50% Cost) 12° ICWW Croseing ICU - East Recisim P.S. 3.0 M3 Recisimed Storage Reservoi Recisimed Water P.S. 24° PVC Recisimed Water Main 16° PVC Recisimed Water Main 8° PVC Recisimed Water Main	500,000 380,000 458,000 288,000	2002 0 2002 0 2002 0 2002 0 2002 0 2002 0 2002 0 2002 0 2002 0 2002 0 2002					\$360,000 \$300,000 1,100,000 560,000 360,000 466,000 286,000						·	
9 10 11 12 13	Engineering & Contingency 16" PVC Recinimed Wir Main Expand Reclaimed Wir P.S. 3.0 MG Reservoir Engineering & Contingency	903,500 304,000 100,000 1,100,000 376,000	0 2007 0 2007 0 2007					903,500					304,000 100,000 1,100,000 376,000		
14	Yotel Utility Plant in Service (not includi	ng CUAC)		\$0	\$0	\$0	\$0	\$4,517,500	\$4,517,500	\$4,517,500	\$4,517,500	\$4,517,500	\$6,397,500	\$6,397,600	\$8,397,500
15 16 17 <i>T</i> -	New Plant Assets per CIAC: New Plant Assets (CIAC) Total New Plant Assets (CIAC) Otal Reclaimed Water Utility Plant in S			\$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	<u>\$0</u> \$0 \$0	\$1,858,044 \$1,858,044 \$6,375,544	\$396,290 \$2,254,335 \$8,771,836	\$396,290 \$2,650,825 \$7,168,125	\$396,290 \$3,046,916 \$7,564,416	\$398,290 \$3,443,205 \$7,980,708	\$491,961 \$3,935,187 \$10,332,687	\$491,981 \$4,427,188 \$10,824,068	\$482,742 \$4,909,909 \$11,307,409

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SOURCE: BURTON & ASSOCIATES C1/DATA1/23VCU/TESTIM~1/FAME312/WK4

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM CAPITAL IMPROVEMENTS PROGRAM

Scenario 1R - Intercoastal Utilities, Reclaimed Water Rates w/ Intercoastal Capital Plan

					MONTHS		I												
		CONT.		VICE	TO COM	S. DINIT	ASSET	CAPACITY											
	AND TOTAL		CT NAME	DATE	STRUCT	FUNDED		(0000)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2005	2009
	ecialmed Wa							<u>[</u>]											
1	\$360,000	\$360,000 16" PVC Outfall	/Xfer (50% Cost)	2002	24	100%	45					360,000							
2	300,000	300,000 12" ICWW Cros	ssing	2002	24	100%	45					300,000							
1	250,000	250,000 ICU - East Red		2002	24	100%	25					250,000							
4	1,100,000	1,100,000 3.0 MG Recisin		2002	24	100%	41	1.00				1,100,000							
	500,000	500,000 Recisimed Wat		2002	24	100%	25					500,000							
۴.,	360,000	360,000 24" PVC Recisi		2002		100%	45					360,000							
,	456,000	458,000 16" PVC Recisi		2002	24	100%	45					456,000							
•	288,000	296,000 8" PVC Recisin		2002	24	100%	45					288,000							
•	903,500	903,600 Engineering & C	Contingency	2002	24	100%	30	····				903,500							
10	304,000	304,000 16" PVC Recis		2007	24	100%	45										304,000		And and an
19	100,000	100,000 Expand Reciain	ned Wir P.S.	2007	24	100%	20										100,000		
17	1,100,000	1,100,000 3.0 MG Reserv	oir	2007	24	100%	41	1.50									1,100,000		
13	376,000	376,000 Engineering & C	Contingency	2007	24	100%	30										376,000		
14																			
- 16	\$4,397,500	\$8,397,500								F0		5~~\$4,317,500 ~	10	20			8 \$1,580,000	\$0	\$0

SOURCE: BURTON & ASSOCIATES / PESAJ

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM USED AND USEFUL

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

		1999	2000	2001	2002	2003	2004	2005	2005	2007	2008	2009
1	Reclaimed Water											
2	Cepecity											
3	Cepecity in ERC's					3,449	3,449	3,449	3,449	3,449	8,622	8,622
4	Additional Capacity in ERC's				3,448	0	0	0	0	5,172	0	0
5	Total Capacity				3,449	3,449	3,449	3,449	3,449	8,622	8,622	8,622
6	Connection / Growth											
7	Connections in ERC's					2,817	3,417	4,018	4,618	5,219	5,964	6,710
8	Annual Growth Percent					21.32%	17.57%	14.95%	13.00%	14.29%	<u>12,50%</u>	10.90%
9	Additional Units				2,816	601	601	601	601	746	746	732
10	Total Connections				2,817	3,417	4,018	4,618	5,219	5,964	6,710	7,441
11	Raw U & U Percent				81.65%	99.06%	116.47%	133.88%	151.29%	69.17%	77.82%	86.31%
12	PLUS: Margin Reserve @ 36 Mos.				8,447	1,802_	1,802	1,802	1,802	2,237	2,237	2,195
13	Total Connections plus Margin Reserve				11,263	5,219	5,819	6,420	7,020	8,201	8,946	9,636
14	U & U Percent				100.00%	100.00%	100.00%	100.00%	100.00%	100,00%	100.00%	100.00%

SOURCE: BURTON & ASSOCIATES

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Figure 14 Page 1 of 6 J

INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Cepital Analysis

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

				-		FY	999				PY	2000		
Lender	Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Belence	Principal	interest	Belence	Cost of Capital Calc	Beginning Balance	Principal	Interest	Balance	Cost of Capital Calc
2										1				
3		*												
5														
0														
7														
8														
10														
11														
12 13														
14 Equity		0		10.00%	0	0	D		o 0	0	e			0 0
15 New Debt- in Service:		-			-	•			• •	, °	•	•		• •
16 1999 17 2000		0	20 20	6.50%	0	0	0		0 0	0	0	0		0 0
18 2001		0	20	6.50% 6.50%	a a	0	0		0 0	9	0	0		0 0
19 2002	4,585,28	3	20	6.60%	ŏ	ŭ	U D			0	0			0 0
20 2003 21 2004		0	20	6.50%	ō	ŏ	ō		ō ō	ō	ō	õ		õ õ
21 2004 22 2005		0	20	6.50% 6.50%	Q	0	0		0 0	0	0	0		0 0
23 2006		ŏ	20	6.50%	Ő	Ň	0		0 0	0	0			0 0
24 2007	1,908,20	0	20	6.60%	õ	ŏ	ŏ		õ õ	ŏ	ŏ	ŏ		0 ŭ
25 2008 . 28 2009		0	20	6.50%	0	a	0		0 0	0	Ō	Ō		0 0
27		0	20	6.50%	q	0	0		0 0	•	0	0		0 0
28 New Debt- Construction Work in Progress:			20	7.50%			0		0 0	0		0		0 0
29 Include CWIP in WACC? NO		n								_		-		-
31		U		10.00%	50	50	50		0 0 10 \$0					0 0 10 50
32 Weighted Average Cost of Capital					**	~	*0		0.00%		30	9U	•	10 \$0 0.00%

SOURCE: BURTON & ASSOCIATES C:DATA1123VCLATESTH-197AMS312.WK4

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Figure 14 Page 2 of 6

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

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Scenario 1R - Intercoastal Utilities, Reclaimed Water Rates w/ Intercoastal Capital Plan

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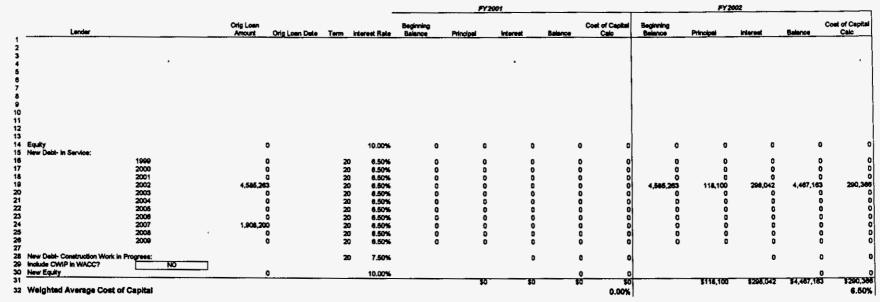
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SOURCE: BURTON & ASSOCIATES C:DATA1123VCUITESTM-1#AM5312.VH4

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Figure 14 Page 3 of 6

INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1R - Intercoastal Utilities Recisimed Water Rates w/ Intercoastal Capital Plan

					_		FY2	203				FY 20	04		
	Lender	Orig Loan Amount	Orig Loan Date	Term	Interest Rate	Beginning Balance	Principal	interest	Balance	Cost of Capital Calo	Beginning Belance	Principal	interest	Belence	Cost of Capital Calc
2															
3															
<u>+</u>	•					•							٠		
5															
7															
8															Į
9															
10															1
11															4
13															1
	Equity		0		10.00%	0	0	0	0	0	0	0	0	0	
15	New Debt- in Service:		•		10.00 #	v	v	v	v	۲,	v	v	v	u u	, v
16	1999		0	2	0 6.50%	0	0	0	0	0	0	0	0	0	· •
17	2000		0	2	0 6.50%	0	0	0	0	0	0	0	0	0	· 0
18	2001 2002	4,585,25	0	2	0 6.50% 0 6.50%	0	0	0	0	0	0	0	0	0	0
20	2003	-,000,20	0	2	0 6.60%	4,467,163	125,776	290,386	4,341,386	282,190	4,341,346	133,962	282,190	4,207,435	273,483
21	2004		ō	2	6.50%	ŏ	ŏ	ŏ	ŏ	0	ŏ	ä	ŏ	0	
22	2005		0	- 21	0 6.50%	Ō	Õ	ō	ō	õ	ŏ	ō	ō	õ	ő
24	2006 2007		0	2	6.50%	0	0	0	0	0	0	0	0	٥	0
25	2008	1,908,20	0	2	0 6.50% 0 6.50%	0	0	o o	0	0	0	0	<u>o</u>	0	0
26	2009		ů –	2	0.50%	Ň	0	0	U O	5	0	0	0	0	9
27			-	-		-	v	Ū	•		J	•	•		, v ₁
28	New Debt- Construction Work in Progress:			2	0 7.50%			0	0	0			0	0	0 0
29 30	Include CWIP in WACC? NO		•												
31	THE LIPSY		0		10.00%		\$125,776		0	0				0	0
32	Weighted Average Cost of Capital						¢120,170	\$290,365	\$4,341,365	\$282,190		\$133,952	\$282,190	\$4,207,435	
										6.50%					6.50%

SOURCE: BURTON & ASSOCIATES C:DATA(125)(CLATESTIN-1)FAM(53)2:WH4

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Figure 14 Page 4 of 6

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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM <u>Weighted Average Cost of Capital Analysis</u>

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

				_		FY20	05				FY 20	10 8		
<u> </u>	ender	Orig Loan Amount Orig Loan	Date Term	Interest Rate	Beginning Belance	Principal	Interest	Balance	Cost of Capital Calo	Beginning Balance	Principal	Interest	Balance	Cost of Capita Calc
		*												
Equity		0		10.00%	0	٥	0	0		0	0	0	0	
New Debt- In Se	inica:			10.0014	•	•	v	v	v		•	•	•	
	1999	0	20	6.50%	0	0	0	0	0	0	0	0	0	
	2000	0	20	6.50%	Ó	Ó	Ó	Ó	Ó	0	0	0	0	
	2001	0	20	6.50%	0	0	0	0	0	0	0	0	0	
	2002	4,585,263	20		4,207,435	142,659	273,483	4,064,776	264,210	4,064,776	151,931	264,210	3,912,844	254,3
	2003	0	20		0	0	0	0	0	9	0	0	0	
	2004 2005	Ű	20 20	6.50%	0	a	0	a a	0		0	v.	0	
	2006	0	20		Ň	v o	, v	Ň	Ň		0	Ň	ŏ	
	2007	1,908,200	20	6,50%	ŏ	ŏ	ŏ	ŏ	ŏ	ŏ	ŏ	ŏ	ŏ	
	2008	,	20	6.50%	ŏ	Ď	ŏ	ŏ	ŏ	i õ	0	ō	ō	
	2009	Ū.	20		ō	ō	ŏ	ō	ō	ō	ō	ō	Ó	
Include CWIP In	NO		20				0	0	0			0	0	
New Equity		0		10.00%				0	0				0	
Weighted Av	erage Cost of Capital					\$142,650	\$273,483	\$4,054,776	\$264,210 6.50%		\$151,931	\$264,210	\$3,912,844	\$254, 6.5
-	rerage Cost of Capital													

SOURCE: BURTON & ASSOCIATES C:DATA:12NCLATESTIM-1VFAMS512.VM4

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Figure 14 Page 5 of 6

INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

				-		FY2	007				FY 20			
Lender	Orig Loan Amount (Orig Loan Date	Term	Interest Rate	Beginning Belance	Principal	Interest	Balence	Cost of Capital Calc	Beginning Balance	Principal	interest	Balance	Cost of Capital Calc
2														
3														
5														
8														
0														
2														
3														
14 Equity 15 New Debt- In Service;	0			10.00%	0	D	0	0	0	0	0	0	0	1
1999	0		20	6.50%	0	n	•	•		•				
7 2000	ō		20	6.50%	ã	ŏ	ŏ	ŏ	ő	ŏ	ŏ	ŏ	ŏ	
8 2001 9 2002	0 4,585,263		20	6.50%	0	0	0	0	0	0	0	0	0	
2003	4,565,265		20 20	6.50% 6.50%	3,912,844	161,607 D	254,335	3,751,037	243,817	3,761,037	172,324	243,817	3,578,713	232,61
2004	0		20 20	6.50%	ō	ō	ō	ŏ	ő	ŏ	ŏ	ŏ	ő	
2 2005 13 2008	0		20 20	6,50% 6,50%	0	0	0	0	0	0	0	0	0	•
2007	1,908,200		20	6.50%	1,908,200	49,148	124,033	1,859,052	120,838	1,859,052	62,343	120,838	1,806,700	117.43
25 2008 , 26 2009	Q		20 20	6.50%	0	Q	0	D	0	0	0	0	0	,, J
7	Q		20	6.50%	O	0	0	0	D	0	0	0	0	1
28 New Debt- Construction Work In Progress: 29 Include CWIP In WACC? NO			20				0	0	0			0	0	1
30 New Equity	0			10.00%				0	0				0	
2 Weighted Average Cost of Capital						\$210,965	\$378,368	\$5,610,089			\$224,667	\$364,655	\$5,385,422	
									6.50%					\$.50%

SOURCE: BURTON & ASSOCIATES C10ATA1123VCLATESTM-11FAM6312.WK4

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Figure 14 Page 6 of 6 INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM Weighted Average Cost of Capital Analysis

Scenario 1R - Intercoastal Utilities Reclaimed Water Rates w/ Intercoastal Capital Plan

					-		FYZ	000		
Lender		Orig Loan Amount	Orig Loan Dete	Тегн	interest Rate	Beginning Balance	Principal	interest	(Balance	cet of Capi Calo
			•							
						_	•		D	
Equity		0	1		10.00%	0	0	0	U	
New Debt- In Service:	1999			20	6.50%	a	a	0	0	
	2000	2		20		ŏ	ŏ	ō	ō	
	2001	č		20		õ	Ō	ō	0	
I	2002	4,585,283	\$	20	6.50%	3,578,713	183,526	232,616	3,395,187	220,
I	2003)	20	6.50%	0	0	0	0	
	2004	()	20	6,50%	0	0	0	0	
	2005 2006	9	1	20 20	8.50%	0	0	G 0	U O	
	2008	1,906,200		20		1,806,709	55,745	117,436	1,750,963	113
•	2008	1,000,000	Ś	20		0			0	
,	2009	č	i i	20		ō	ō	ō	Ō	
New Debl- Construction 1	Work in Progress;			20	7.50%			0	٩	
Include CWIP in WACC?	NO									
New Equity)		10.00%				<u> </u>	
							\$239,271	\$350,052	\$5,146,151	\$334
Weighted Average (Cost of Capital									6,8
SOURCE: BURTON & AS	SOCIATES									
	AMS112,WK4									03/12/

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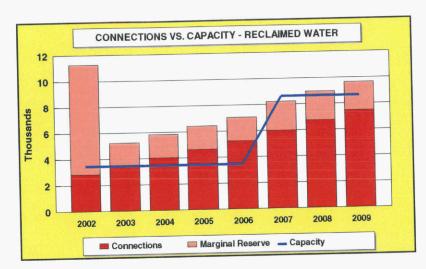
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INTERCOASTAL UTILITIES RECLAIMED WATER SYSTEM GRAPHS OF KEY INDICATORS

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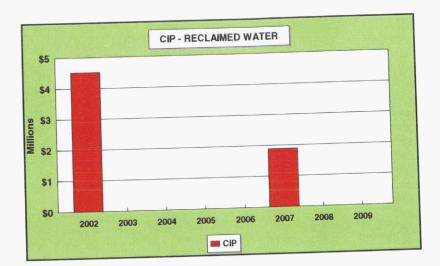
Scenario 1R - Intercoastal Utility's Reclaimed Water Rates w/ Intercoastal Capital Plan



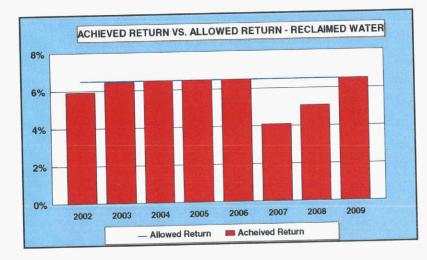
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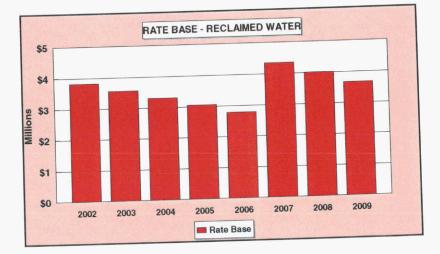
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SOURCE: BURTON & ASSOCIATES C:/DATA/123/JCU/TESTIM-1/FAMS312 WK4